

visited here this year, Japan promised to come up with comprehensive lists of the hundreds of thousands of Koreans sent here in virtual slavery to fuel the Japanese war machine. Soon after he left, the Labor Ministry said most of the documents had been destroyed since the war.



# In Kenya, a Rare Attack by the Church on Official Graft

By Jane Perlez  
New York Times Staff Writer

NAIROBI — In an unusually broad attack on corruption, a prominent church leader has charged that misuse of power for economic gain has become the norm among government officials.

The issue had until recently been treated rather gingerly in public. But the archbishop of the Church of Kenya, the Reverend Manasseh Kuria, told an Anglican congregation on Saturday that the situation had become so bad that the "organs of state machinery" were seizing property from ordinary people.

"Unless God rescues Kenya, we shall sink," said the archbishop, who until the last few months of political upheaval here had been reserved in his remarks about the government. Corruption has become "institutionalized," he said, echoing a complaint of foreign investors there.

The archbishop's admonition came as an Anglican

bishop declared his financial wealth — mainly land acquired through a \$32,000 loan from the church — and called on all public and church officials to do the same.

Church leaders have been at the forefront of the campaign for a more open political system in Kenya. The country's president, Daniel arap Moi, is one of the few remaining major leaders south of the Sahara who still adamantly oppose a multiparty system.

Three prominent politicians who called for a multiparty system have been detained without charges for more than a month.

The crackdown in July attracted more international attention when Gibson Kanza Kuria, a human-rights lawyer representing two government ministers who were detained, sought refuge in the U.S. Embassy here. Washington eventually negotiated his departure from the country.

Four people have been charged with trying to bring down the government. In court hearings last week, they complained of inhuman jail conditions. The gov-

ernment freed four lawyers who had been held without charges.

Churchmen, the one group of critics unscathed by the Moi government's crackdown, are looking for ways to keep up the pressure on officials, people familiar with their strategy say.

They have added a cleanup of government corruption to the church's other political demands — the dissolution of Parliament, new elections with candidates from numerous political parties, and a limit on the number of terms allowed a president.

Instead of opening the door to a multiparty political system, Mr. Moi appointed a commission to study possible reforms in Kenya's sole political party, the Kenya African National Union.

The commission, headed by Vice President George Saitoti, has been traveling around the country to hear suggestions for change from party members as well as critics. Last week, corruption became an open topic of discussion. At one session, a cabinet member and a

local party chairman whose names were not disclosed were accused of taking thousands of acres of land for themselves.

Three residents of the Embu district told the commission that the minister and party officials had seized land that had been set aside for people without property by Kenya's former president, Jomo Kenyatta.

Such outspokenness, especially before a public body, has been unusual in Kenya in recent years. The commission is to submit a draft proposal to Mr. Moi on possible changes in the Kenya African National Union by Aug. 31.

The testimony and complaints to the commission have raised expectations.

The question now is whether the limited changes that the commission and Mr. Moi are expected to approve — the reintroduction of secret ballots in primary elections and an end to expulsions of members from the party — will satisfy the pressures for accountability and for an open political system.

## N.Y. Blaze Cuts Power In Financial District

Compiled by Our Staff From Dispatches

NEW YORK — A fire at an electrical substation cut power to lower Manhattan on Monday, blacking out most of the city's financial district, trapping hundreds of people in elevators and stranding thousands of subway commuters.

The fire, which broke out at 11:49 A.M. in a Consolidated Edison building housing a 138,000-volt transformer, forced the utility to shut off power to almost all of lower Manhattan, with the exception of the New York Stock Exchange, where trading was normal. The American Stock Exchange and several other exchanges were closed.

Traffic lights were out, and traffic jams turned much of the lower city into a pedestrian mall.

The blackout stopped most subways in the area, and thousands of commuters were walking home across the Brooklyn Bridge in near 90-degree heat (32 degrees Celsius) or north to subway stations with working trains.

It was unclear how the fire started.

More than 150 firefighters wearing masks battled the fire at the substation near the bridge. Plumes of smoke drifted north of the bridge.

The thick, acrid smoke from the fire overcame 17 firefighters and one civilian. Eight people were hospitalized.

When power went out, people were trapped in about 40 of the World Trade Center's 198 elevators, said Armando Arrista, a spokesman for the Port Authority, which operates the twin towers, each of which are more than 1,300 feet (395 meters) tall.

The city's Commodity Exchange Center, housing the Commodity Exchange Inc., Coffee, Cocoa and Sugar Exchange, the New York Cotton Exchange and New York Mercantile Exchange, were knocked out by the power failure.

The oil, gold and currency markets, in the midst of frantic sessions, were brought to a standstill as power was cut to trading floors.

The American Stock Exchange was not functioning, apparently because a backup generator failed to come on line at 1:13 p.m.

The brokerage firm of Shearson Lehman Brothers Inc., housed in the 51-story World Financial Center, was "maintaining skeleton operations" after the power outage, said spokesman Steve Faigen.

Dean Winter Reynolds at the World Trade Center was operating on emergency power, although the lights, elevators and stock quote machines were out, said Jim Flynn, communications director for the company.

Consolidated Edison said power to part of the Wall Street area might not be restored by Tuesday. A spokesman for the utility said the area likely to take longest to get its power back is the Fulton network, covering southeast Manhattan.

By late afternoon Monday, the Commodity Exchange had not determined when it would open trading on Tuesday following the power failure.

The exchange chairman, Mary Greenberg, said trades that were executed during Monday's shortened session and those that will be done Tuesday would all be settled on the basis of Tuesday's closing prices. (UPI, Reuters)

## Visiting New York City? Gramercy Park Hotel

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Liberian rebels loyal to Charles Taylor firing at government troops near the West German Embassy in the eastern suburbs of Monrovia.

## Liberian Peace Force: Debut in Chaos

By Neil Henry  
Washington Post Staff Writer

FREETOWN, Sierra Leone —

Troops from several West African nations assembling here to impose peace on Liberia continue to trickle into makeshift camps amid signs of confusion and discipline that have come to characterize the civil disorder in Liberia itself.

Troops from Nigeria and Ghana were first to arrive a few days ago and have been setting up camp at a police training base in the town of Hastings, about 15 miles (25 kilometers) outside Freetown.

There, army units from throughout the westward bulge of Africa are being directed by a walter of hand-lettered signs reading "Mali," "Gambia," "Nigeria," "Ghana" and so on.

The half-dozen nations that are expected to take part in the military effort hope the combined force can bring about a truce in the eight-month Liberian conflict. Participating countries seek to convene peace negotiations and establish an

interim government to oversee elections. But preparations at Hastings seem anything but auspicious.

The base on Sunday was awash with chaotic maneuver, as rifle squads in full battle gear trooped around in the steamy heat trying to find their quarters. At one point, a truck overflowing with troops took a sharp turn too sharply, and sent a Sierra Leonean soldier head over heels into the brush, where he landed apparently unhurt atop his backpack and AK-47 assault rifle.

Three foreign journalists seeking to interview the base commander were stopped at the gate by a guard who identified himself as Captain David. He said that the peacekeeping force, which may total as many as 2,500 troops, would probably move out "anytime from Monday" but that he was not sure. He also said he was not sure when the other troops would arrive, and he added that his boss, the base commander, would meet with the reporters

But a few minutes later, the journalists were ordered away from the gate with a preemptory wave from an officer wearing a black beret. Then a lanky, red-eyed Sierra Leonean soldier wearing a scarlet MP patch on his arm promptly leveled his automatic rifle at the visitors and ordered them to leave.

Aiming the weapon with his right arm and delicately balancing a neatly folded green rubber raincoat over his left, the soldier briskly marched the visitors several hundred yards up a dirt road, shouting all the way: "You double your steps! You double your steps!"

"I am being very aggressive with you people!" he thundered at one point. "You come here again and I will shoot you! You tell the people in America my name. This is the force of Sierra Leone."

The ruckus attracted a crowd of Nigerian onlookers from the base, who were able to watch the show over a low wall. A moment later, the military policeman ordered the reporters into their car, pointed his

rifle at the Sierra Leonean driver and shrieked: "You bring them here again and I will shoot you!"

The soldier continued to level his rifle as the car rolled away, his raincoat still unfurled over his arm.

Meanwhile, rebel factions were reported edging closer to the fortified mansion of President Samuel K. Doe in Monrovia, the shattered Liberian capital. Speculation in Freetown centered on where and how the peacekeeping force would seek to intervene.

The most likely option seemed to be insertion by sea, because Monrovia's port is now controlled by a rebel faction led by Prince Yormie Johnson, who favors international intervention to end the war. All airfields in or near Monrovia are thought to be in the hands of rebel forces loyal to Charles Taylor, who launched the insurrection against Mr. Doe in December and who opposes intervention. Mr. Taylor also controls the 80-mile overland route from Sierra Leone.

## Azerbaijanis Will Meet Armenians On Dispute

Reuters

MOSCOW — The presidents of Soviet Azerbaijan and Armenia have agreed to hold talks on the disputed territory of Nagorno-Karabakh, the first discussions at such a high level since fighting over the enclave began in 1988.

The Communist Party newspaper Pravda said Monday that the meeting between Presidents Levon Ter-Petrosian of Armenia and Aziz Muttalibov of Azerbaijan would take place soon in Tbilisi, Georgia. No date was set.

They have agreed to discuss jointly the urgent questions of inter-republican relations," Pravda said, adding that Givi Gumbaridze, the president of Georgia, would attend the discussions.

Georgia was apparently trying to play an intermediary role between the two other Transcaucasian republics.

Mr. Ter-Petrosian, Armenia's newly elected nationalist president, said last week that he was willing to begin talks with Azerbaijan over Nagorno-Karabakh, an enclave within Azerbaijan populated mainly by Armenians who want to be part of Armenia.

Azerbaijan initially rejected the offer. "Such statements would have been welcome were they earnest and caused by a sense of political realism," said Magomed Asadov, the Azerbaijan interior minister, said at the time.

Conversations on the crisis have been held at the interior minister level between the two republics and in February representatives of the Armenian and Azerbaijani informal popular fronts met in Latvia for peace talks, producing an agreement that quickly broke down.

In Armenia, paramilitary groups estimated to be 5,000 strong have formed in reaction to the clashes between Armenians and Azerbaijanis, in which hundreds have been killed since February 1988.

Mr. Ter-Petrosian has tried to head off a feared Soviet military crackdown by assuring the Kremlin that he is in control of the paramilitary groups.

President Mikhail S. Gorbachev issued a decree on May 25, apparently directed at Armenia, ordering armed groups to disband within 15 days. But the deadline has been extended by two months.

## Gorbachev Broadens Censure Of Stalin in Strongest Terms

By David Remnick  
Washington Post Staff Writer

MOSCOW — President Mikhail S. Gorbachev issued a sweeping decree Monday denouncing the crimes of the Stalin era.

It condemned the forced collectivization of the peasantry and the brutal repression of religious and ethnic groups, and called for a restoration of civil rights to all Stalin's living victims.

Although thousands of Soviet citizens had been rehabilitated since Mr. Gorbachev's first open attack on the Stalin era nearly three years ago, this decree lifts the "stain of injustice" from millions more.

It makes particular mention of Stalin's collectivization campaign of the late 1920s, which led to the abolition of private farms, mass deportations and the deaths by starvation and firing squads of millions in the Ukraine, Russia and Kazakhstan.

Unlike other speeches and declarations of recent years, this decree makes no attempt at all to balance Stalin's crimes with his alleged achievements.

There is no longer an attempt to speak euphemistically of "mistakes" or "distortions." The decree is a clear and thorough break with the past, declaring Stalin's actions as "inconsistent with the norms of civilization." It said they were "illegal and contradicting all social, economic and human rights."

Although the decree does not specify particular figures of the past, it appears so all-embracing that it can be interpreted to include the reconsideration of such leaders as Leon Trotsky, one of Stalin's fiercest enemies and for decades a nonperson in Soviet history books.

The decree makes no mention of injustices committed under Lenin, Stalin's predecessor, and says that it does not apply to people arrested during World War II.

The decree's mention of religious and ethnic groups refers to the repression of organized churches, synagogues and mosques, as well as whole groups including the Crimean Tatars, Jews, Volga Germans and many others.

The decree gave the national and republican legislatures until Oct. 1 to come up with proposals to restore all civil rights to living victims of Stalinist repression.

Just minutes after the decree was announced on the evening news program Vremya, one station broadcast a lengthy interview, conducted by French television, with the novelist Alexander I.

Solzhenitsyn. The author of "The Gulag Archipelago," who was forcibly exiled in 1974, has been published here widely this year. But so far the government has not returned his citizenship. Mr. Solzhenitsyn lives in Cavendish, Vermont.

The outright denunciation of the collectivization of the countryside is particularly important now when Mr. Gorbachev is trying to encourage farmers to leave state farms and take advantage of new laws permitting long-term leases. Many farmers, however, say they are reluctant to take such risks for fear that private farmers may once more be considered enemies of the people and face prosecution.

Politicians of Mr. Gorbachev's generation extolled the collective farming system. As a young man, Mr. Gorbachev himself won local fame with his father and two others by setting a harvest record in the village of Privolnoye and winning the prestigious Red Banner. The award helped him gain admission to Moscow State University and a career as a Communist Party official.

Mr. Gorbachev has long appeared convinced that Stalin's repressions and deportations were an "aberration" of communism, but his position on the collective farm system has evolved more gradually. The leading supporter in the Communist Party of the collective farm system, Yegor I. Ligachev, retired from the Politburo and public life after last month's Communist Party Congress.

President George Bush on Monday removed a long-standing ceiling on the number of Soviet businessmen allowed to live and work in the United States. The Associated Press reported from Kennelburgport, Maine.

Only 69 Soviet commercial representatives were allowed to reside in the United States until the president's action. Now there will be no limit. Mr. Bush called upon Mr. Gorbachev to match his move with "reciprocal improvements in the climate for American business in the U.S.S.R."

He also warned the Soviets against trying to slip in spies on the pretext of doing business.

"This action is taken as an expression of our policy to build a more normal economic relationship with the Soviets," Mr. Bush said in a statement issued from his vacation home.

"We have made clear to the Soviets that we retain the right to reconsider our decision should there be evidence that this opportunity is being misused for intelligence gathering," he said.

## WORLD BRIEFS

### Troops Search for Trinidad Rebels

PORT OF SPAIN, Trinidad (AP) — Soldiers are still trying to find out pockets of Muslim rebels throughout Trinidad and Tobago, according to Herbert Atwell, the acting minister of security.

Troops from other Caribbean nations, arriving after the recent attempt, will assist local forces at key government installations in another two weeks, Mr. Atwell said. A state of emergency has been extended for three months, including dusk-to-dawn curfews.

On July 27, 112 Muslim gunmen stormed the parliament building at the state television station, taking Prime Minister A. N. R. Robinson and members of the government hostage. The rebels, arrested five days later after they freed 47 hostages, remain in military custody pending trial.

### Anti-Mohawk Protest Turns Violent

CHATEAUGUAY, Quebec (Combined Dispatches) — Police said that a mob of about 1,000 people gathered in Chateaugay, a town of about 7,000 people, to protest against a golf course extension. The protest turned violent when protesters hurled bottles and rocks at the police, who responded with tear gas.

Dozens of people were reported injured and an undetermined number arrested in the four-hour clash at Mercier Bridge, which connects Montreal with the suburbs. The demonstration, involving about 7,000 people, turned violent when protesters hurled bottles and rocks at the police, who responded with tear gas.

The melee erupted just hours after Mohawks and Canadian authorities reached agreement on holding talks on the conflict, which arose when the Quebec town of Oka moved to extend a golf course onto land that the Mohawks regard as sacred. (Reuters, AP)

### Pakistan Says India Shelled Kashmir

ISLAMABAD, Pakistan (AP) — The government said Monday that forces had repulsed an attack by Indian troops along the cease-fire line dividing the disputed territory of Kashmir.

Pakistan said India attacked a Himalayan observation post Sunday after a second round of talks on border tensions had ended inconclusively. It said Indian troops used heavy artillery, anti-tank guns and mortar in trying to capture a facility 100 kilometers (60 miles) northeast of Muzaffarabad, the capital of Pakistan-controlled Kashmir.

"It's not true," said a government spokesman in New Delhi. "We have not attacked. We have not used any artillery. We have not suffered any casualties." The Kashmir unrest has claimed more than 950 lives since late January.

### Jogger Jury Deliberates for 5th Day

NEW YORK (AP) — Jurors in the Central Park jogger trial began their fifth day of deliberations Monday after spending their fourth day pondering the meaning of "acting in concert." Justice Thomas Chieffo of State Supreme Court told the jury that person who participated in a crime in which someone was injured might be considered guilty even if he might not personally have injured a victim.

The defendants — Raymond Santana, 15, Antron McCray, 16, Yusef Salaam, 16 — are charged with attempted murder, rape, sexual abuse, riot, assault and robbery in attacks on a woman jogger and two male joggers during an April 1989 gang rampage in Central Park.

### Fire Guts Lisbon Cultural Landmark

LISBON (AP) — Fire on Monday struck a third Lisbon cultural landmark in four years, gutting the turn-of-the-century ABC Theater in the capital's Parque Mayer.

Flames raged for more than an hour, transforming the theater's elegant interior into a blackened shell. Witnesses said the fire began during soldering work; actors and stagehands tried to salvage props and costumes.

In August 1988, fire ravaged the Chiado district, leaving 300 homeless and destroying 19th-century stores and cafes. A 1986 fire devastated the Maria Vitoria Theater, situated next to the ABC in the cluster of vaudeville theaters and restaurants dating from the 1920s.

### Rights Group Criticizes Romania

BUCHAREST (Reuters) — A team from the International Helsinki Federation, a human-rights group based in Vienna, criticized Romania on Monday for not adequately protecting individual freedoms, citing lack of action against miners who beat up demonstrators in June. Inspectors said authorities had made little progress in investigating the violence, the worst since Nicolae Ceausescu was overthrown in December.

The miners were rushed to the capital after student protests that a regime believed threatened to undermine the new government. Six people were killed in protests on June 13, and many more were injured. Mine beat suspected government opponents with clubs.

The team urged Romania to put laws on human rights into effect including press freedom and protection of suspects. The 11-member group included delegates from Czechoslovakia, Denmark, Italy, Norway and Switzerland.

### For the Record

British Army explosives experts defused Monday a suspected bomb found outside the home of a retired British Army commander who served in Northern Ireland. Police said the bomb was discovered in the garden of General Sir Anthony Farrar-Hockley's house in the village of Moulford, west of London.

A Swiss hostage was freed in Beirut Monday and taken to Damascus for transfer to the custody of Swiss diplomats, according to Red Cross officials in the Syrian capital. They said that diplomats and Red Cross representatives were at the Foreign Ministry to receive Elio Enriquez, an orthopedic specialist kidnapped 10 months ago. (Reuters)

## TRAVEL UPDATE

### Airlines Discuss Europe Fare Rises

STOCKHOLM (Reuters) — Major airlines are discussing a coordinated approach to fare increases on intra-European flights because of high fuel prices, a spokesman for Scandinavian Airlines System said Monday. The talks are being held by the International Air Transport Association, the trade group that represents most of the world's schedule airlines, the SAS spokesman said.

Asked if the airlines were weighing mutual fare increases, he said, "Yes — I think they will agree to some sort of surcharge," which would probably be the same in percentage terms for all airlines.

Weekend traffic accidents in Spain killed 80 people, a high for the year the Central Traffic Office said Monday. Spain, which had 6,095 highway deaths last year, was cited in a British Transport Ministry report as most lethal country for driving in the 12-member European Community. (AP)

## WEATHER

EUROPE				ASIA			
	HIGH	LOW	WIND		HIGH	LOW	WIND
Amsterdam	64	54	W	Beijing	84	74	E
Antwerp	64	54	W	Bombay	84	74	E
Athens	64	54	W	Buenos Aires	84	74	E
Birmingham	64	54	W	Calcutta	84	74	E
Bombay	84	74	E	Chengdu	84	74	E
Boston	64	54	W	Chongqing	84	74	E
Buenos Aires	84	74	E	Colombo	84	74	E
Calcutta	84	74	E	Dacca	84	74	E
Cardiff	64	54	W	Delhi	84	74	E
Chengdu	84	74	E	Hankow	84	74	E
Chongqing	84	74	E	Harbin	84	74	E
Colombo	84	74	E	Hong Kong	84	74	E
Copenhagen	64	54	W	Kobe	84	74	E
Dacca	84	74	E	London	64	54	W
Delhi	84	74	E	Los Angeles	84	74	E
Hankow	84	74	E	Manila	84	74	E
Harbin	84	74	E	Medan	84	74	E
Hong Kong	84	74	E	Montevideo	84	74	E
Kobe	84	74	E	Mumbai	84	74	E
London	64	54	W	Nagasaki	84	74	E
Los Angeles	84	74	E	Osaka	84	74	E
Manila	84	74	E	Perth	84	74	E
Medan	84	74	E	Port of Spain	84	74	E
Montevideo	84	74	E	San Francisco	84	74	E
Mumbai	84	74	E	Sao Paulo	84	74	E
Nagasaki	84	74	E	Seoul	84	74	E
Osaka	84	74	E	Singapore	84	74	E
Perth	84	74	E	Taipei	84	74	E
Port of Spain	84	74	E	Tokyo	84	74	E
San Francisco	84	74	E				
Sao Paulo	84	74	E				
Seoul	84	74	E				
Singapore	84	74	E				
Taipei	84	74	E				
Tokyo	84	74	E				

TIME ZONE: GMT-5. CHINA: GMT+8. HONG KONG: GMT+8. JAPAN: GMT+9. KOREA: GMT+9. SINGAPORE: GMT+7. THAILAND: GMT+7. VIETNAM: GMT+7. AUSTRALIA: GMT+10. NEW ZEALAND: GMT+12. SOUTH AFRICA: GMT+2. INDIA: GMT+5.5. PAKISTAN: GMT+5. BANGLADESH: GMT+6. SRI LANKA: GMT+5.5. MALAYSIA: GMT+8. SINGAPORE: GMT+7. THAILAND: GMT+7. VIETNAM: GMT+7. AUSTRALIA: GMT+10. NEW ZEALAND: GMT+12. SOUTH AFRICA: GMT+2. INDIA: GMT+5.5. PAKISTAN: GMT+5. BANGLADESH: GMT+6. SRI LANKA: GMT+5.5. MALAYSIA: GMT+8. SINGAPORE: GMT+7. THAILAND: GMT+7. VIETNAM: GMT+7. AUSTRALIA: GMT+10. NEW ZEALAND: GMT+12. SOUTH AFRICA: GMT+2. INDIA: GMT+5.5. PAKISTAN: GMT+5. BANGLADESH: GMT+6. SRI LANKA: GMT+5.5. MALAYSIA: GMT+8. SINGAPORE: GMT+7. THAILAND: GMT+7. VIETNAM: GMT+7. AUSTRALIA: GMT+10. NEW ZEALAND: GMT+12. SOUTH AFRICA: GMT+



# THE EMBARGO ON IRAQ: Interdiction takes hold as Jordan is accused of undermining United Nations decision

## Israel Points Finger at Amman

King Is 'Walking Tightrope' on Sanctions, Official Says

**JERUSALEM**—Israeli officials say Jordan is working to undermine the economic and military embargo on Baghdad by allowing supplies to enter Iraq through the Red Sea port of Aqaba.

Foreign Minister David Levy accused King Hussein on Monday of misleading his traditional allies in the United States and Egypt and warning the king that he was "walking a tightrope."

"This is not just a question for Israel," Mr. Levy said when asked if his country would block imports for Iraq via Aqaba. "It concerns the United States and the other forces operating against aggression."

The newspaper Davar quoted Defense Minister Moshe Arens and other military figures as saying that Jordan was actively aiding the policies of President Saddam Hussein of Iraq.

The reports said goods entering through Aqaba did not include military supplies, but were in violation of the sweeping United Nations sanctions ordered Aug. 6 after Iraq's invasion of Kuwait four days earlier.

Asked about the reports, Martin Sztwartz, the White House spokesman, said: "We are hopeful that Jordan will comply. They have said they will abide by the sanctions."

The sanctions, approved by the Security Council, bar imports or exports of virtually all products and commodities for Iraq, as well as any financial dealings. Only medical supplies and food, in special humanitarian circumstances, are permitted.

"Jordan is trying to mask its support for Iraq, but is in fact serving as an intermediary and spokesman for it with the Arabs," an official told the newspaper.

"Amman has even tried to convince Syria to allow Iraqi oil to pass through its territory," the official said.

The official said Aqaba had become Iraq's principal supply point in defiance of the UN sanctions.

Aqaba, squeezed between Saudi Arabia and Israel, was a key point for shipping supplies to Iraq during the war with Iran from 1980 to 1988. Iraq's only direct access to the sea is the vulnerable Gulf route, where an international armada is converging.

Israeli television broadcast footage on Sunday of what it said were trucks moving off vessels in Aqaba and heading toward Iraq. A witness saw trucks packed with food heading to Iraq and fuel tankers crossing from Iraq into Jordan.

Jordanian officials and diplomats say the economic consequences of complying with sanctions would be disastrous for the kingdom, which gets 95 percent of its oil from Iraq.

Amman voted against an Arab League resolution denouncing the Kuwait invasion and calling for an immediate and unconditional withdrawal of Iraqi forces.

At an emergency Arab summit meeting in Cairo last week, Jordan abstained from a vote condemning the invasion and calling for the deployment of Arab troops in Saudi Arabia.

Muslim fundamentalists in Jordan support the Iraqi president's call for a holy war on U.S. and other foreign forces in Saudi Arabia. More than 80,000 people in Jordan have so far volunteered to fight with Iraq against the United States.

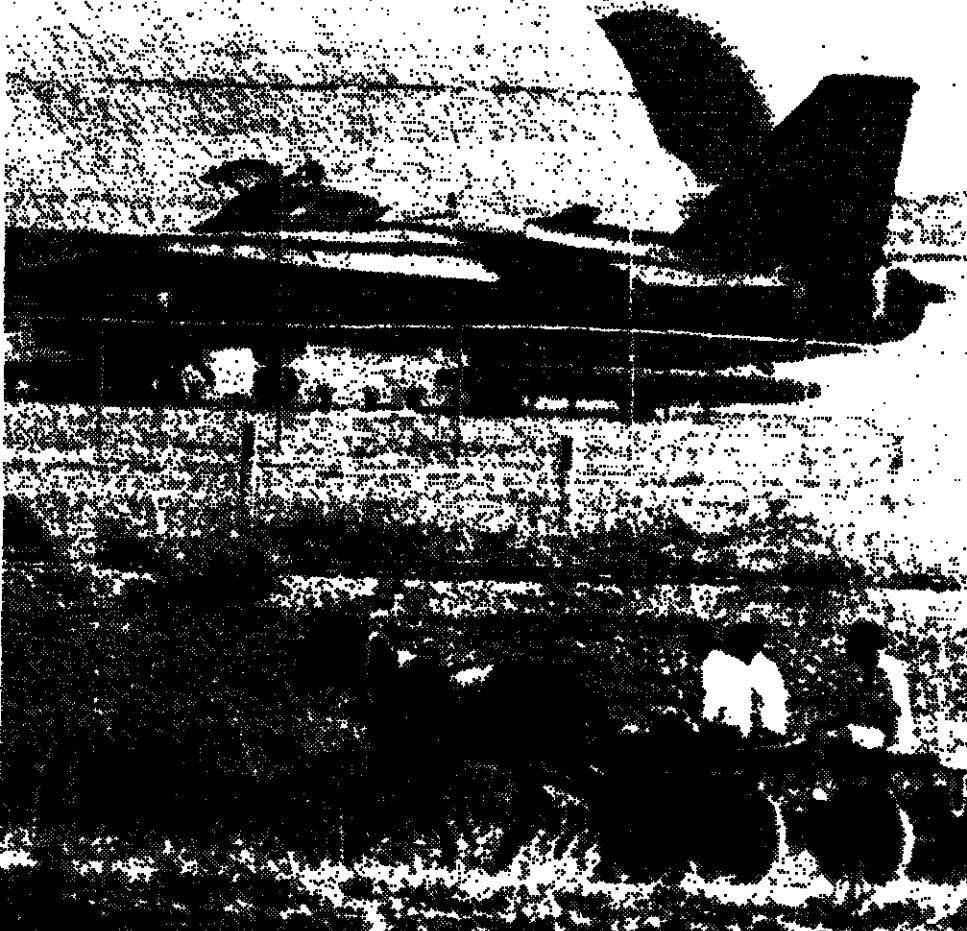
"King Hussein is walking a tightrope," Mr. Levy said before departing for talks in West Germany.

He denounced the Jordanian king for supporting Iraq's invasion and annexation of Kuwait and accused him of having "cheated the United States, the West and Egypt."

Mr. Levy also urged Amman to adopt a clear position on the crisis, although he praised Jordan's pledge not to allow any foreign troops to cross its territory.

Israel has sought to stay out of the U.S.-Iraqi struggle but has warned that it would go to war if Iraqi troops entered Jordan, the buffer state separating them.

Mr. Arens added that there was no sign of an Iraqi buildup near the Jordanian border.



**HORSEPOWER AND FIREPOWER**—A horse-drawn cart passing outside the Incirlik NATO base near Adana, Turkey, where a U.S. F-111 jet fighter is being prepared for a training flight.

## Support of Invasion Creates a Deep Rift In PLO Leadership

**New York Times Service**

**MANAMA, Bahrain**—The Iraqi invasion of Kuwait and the support given to Iraq by Yasser Arafat, the Palestinian Liberation Organization chairman, has created a deep rift within the Palestinian organization's leadership.

PLO leaders interviewed by telephone in Tunis said Monday that the organization was deeply divided over what policy to follow and seriously disturbed over the negative impact on its relationship with the Arab states, particularly Saudi Arabia.

Saudi Arabian officials have said that they view the PLO support of the Iraqi invasion as a low point in their relationship with the Palestinians, going so far as to state that the PLO will not get further financial assistance from any of the Arab Gulf states.

It is estimated that the PLO has received at least \$10 billion in financial backing from Kuwait, Saudi Arabia and the United Arab Emirates in the last decade.

Some 400,000 Palestinians live and work in Kuwait. At least an additional 300,000 live in the United Arab Emirates and Saudi Arabia.

One leading PLO official said Monday, "As long as Yasser Arafat is at the head of the organization, I suspect the Gulf countries will boycott us completely."

In Cairo, and in Tunis, the dimension of the split within the PLO leadership became evident on Monday.

Saeed Kamal, the Palestinian ambassador to Egypt, issued a statement saying that, although having voted against the imposition of sanctions by the Arab League on Baghdad, the PLO had now changed its mind and stood against the invasion of Kuwait.

But in Tunis, the Palestinian press agency issued a counterstatement, saying that the PLO had "abstained" on the resolution.

Egyptian and other Arab officials said neither comments were true.

"They voted against the resolution," said one Egyptian envoy who was at the Arab summit meeting on Friday in Cairo. "It's on the record."

Some PLO leaders who say they have opposed Mr. Arafat's open support of President Saddam Hussein assert that the organization has been torn by its poor treatment at the hands of the United States and its support for the invasion. They said "bitterness has prevailed over loyalty" to Arab Gulf countries.

One official said, "The problem has been that, although the Iraqi action went beyond what was necessary to pressure Kuwait, how could we take a position that would be viewed by our people as supporting the American presence in the Gulf?"

Pro-Arafat officials said the "situation on the ground," meaning the feeling among majority of Palestinians in the Israeli-occupied Gaza Strip and West Bank, was strongly tilted in favor of the Iraqi president.

These officials also said that with 400,000 Palestinians living in Kuwait, Mr. Arafat had little choice but to support Mr. Hussein.

Other PLO leaders maintain that the organization had the choice to try to mediate between Iraq and the Gulf Arabs and should have abstained on the Arab League resolution condemning Iraq instead of opposing it.

"We are in the worst position of all," said one PLO official in Tunis. "I see no way out of this mess."

What is certain, PLO officials say, is that the Iraq-Kuwait conflict has postponed any hope of an early solution to the Palestinian-Israeli problem.

—YOUSSEF M. IBRAHIM

## Backing for Iraqi Leader

Thousands of West Bank Palestinians rallied on Monday in support of President Hussein, chanting, "We are with you until victory!" and urging him to attack Israel with chemical weapons. The Associated Press reported from Jerusalem.

The marches, the most dramatic signs yet of Palestinian support for the Iraqi leader, followed his announcement that he would consider pulling out of Kuwait only if Israel withdrew from the occupied West Bank and Gaza Strip.

Palestinian leaders, frustrated over the lack of progress in U.S.-backed peace efforts, have praised Mr. Hussein's proposed package deal of withdrawals as a realistic approach.

In Nablus, the West Bank's largest city, at least 2,000 people joined the march through the alleys of the old marketplace. Marchers waved Iraqi flags and carried poster-sized pictures of Mr. Hussein and Mr. Arafat. Israeli troops fired tear gas at the marchers but there were no reports of injuries.

In Gaza, the Muslim fundamentalist group Hamas issued a sharply worded leaflet calling on Mr. Hussein "to attack the heart of Tel Aviv if Iraq is attacked by Western crusaders."

In the West Bank town of Jenin, about 1,000 participated in a pro-Hussein march, shouting, "Saddam, you hero, attack Israel with chemical weapons!"

Another march was reported in the Balata refugee district near Nablus, where about 300 masked activists carried Iraqi flags and posters of Mr. Hussein.

In the village of Zawiya, also near Nablus, about 3,000 Arabs marched Sunday night, according to Arab witnesses.

## Pakistan Decides, in Principle, to Aid Saudis With Troops

**Compiled by Our Staff From Dispatches**

**ISLAMABAD**—Pakistan announced Monday that it had decided in principle to send troops to aid Saudi Arabia in its confrontation with Iraq.

A Foreign Ministry spokesman said the decision was made after a special Saudi envoy, Abdulaziz Thumayyan, arrived with a request from King Fahd for help.

Thousands of American and Egyptian troops already are in defensive positions in Saudi Arabia. Morocco and Syria also are sending units to join a pan-Arab force under Saudi command.

The Foreign Ministry gave no details of how many troops Pakistan intends to dispatch or when, saying arrangements were being worked out with the Saudis.

An estimated 90,000 Pakistanis live and work in Kuwait and a further 7,000 to 10,000 are in Iraq.

In another development, the French aircraft carrier Clemenceau with anti-tank combat helicopters and a two-ship escort left Toulon Monday to bolster France's naval force in the Gulf region.

In addition to its regular crew, the Clemenceau was carrying 900 men of the 5th Combat Helicopter Regiment, 120 infantrymen and 35 troops from an anti-aircraft regiment.

The Clemenceau, escorted by the missile cruiser Colbert and the fleet tanker Var, was carrying 42 ground-attack Gazelle helicopters equipped with cannon and anti-tank missiles.

The arrival of the carrier group will increase the French naval presence in the Gulf area to seven ships—including two destroyers and two frigates—and about 3,500 men.

But France has no plans to join American ground and air forces and British air squadrons being deployed in Saudi Arabia.

About 530 French nationals are trapped in Iraq and Kuwait, among thousands of other Westerners.

In The Hague, the Dutch government announced it was dispatching two frigates to join the multinational Gulf force and discourage "further Iraqi aggression."

The air defense frigate Witte de With and the standard frigate Pieter Florisz will lift anchor next Monday and should arrive in the Gulf within two weeks, according to a letter sent by the cabinet to Parliament. The two ships carry a total of 360 crew members.

Both Dutch frigates are equipped with defenses against chemical weapons. They are also armed with Goalkeeper rapid-fire cannons, designed to protect them from air-to-ship missiles such as the French-built Exocet, one of Iraq's most feared weapons.

In addition, three British minesweepers put to sea as possible reinforcement for Britain's Gulf forces. The ships—Huron, Caststock and Atherstone—sailed from Rosyth in Scotland.

The three British minesweepers initially will be deployed in the eastern Mediterranean, moving to the Gulf only if Iraq starts sowing mines there, officials said.

Finally, Belgium announced it was sending two minesweepers and a logistics ship to the Mediterranean. The government said the vessels would be held back from the Gulf pending a meeting of the Western European Union (WEU) next week.

(Reuters, AP)

## U.S. Says 500 Citizens Are Now Out of Kuwait

**WASHINGTON**—The United States said Monday that at least 500 American citizens had succeeded in getting out of Kuwait despite its official Iraq policy of refusing to let diplomats leave.

The State Department spokesman, Margaret D. Tutwiler, said there were now about 2,500 U.S. citizens in Kuwait. Last week, administration spokesmen used a figure of 3,000 to 3,500.

Asked whether the Kuwaiti figure represented a decrease of around 800 below last week's figures, Miss Tutwiler replied, "That's right."

She said 500 to 600 U.S. citizens were in Iraq, by latest estimates. In addition, she said, there are 27 government personnel and dependents in Iraq and about 120 in Kuwait.

There have been many reports of small groups of foreigners leaving Iraq and Kuwait, but the total was not previously thought to be so high.

In Rome, Italy issued the first list of European Community citizens stranded in Kuwait and Iraq. The Foreign Ministry said Monday that as of Aug. 7 there were 3,637 EC nationals in Kuwait and 2,243 in Iraq.

Of those still in Kuwait, about 3,000 were Britons; the next largest contingent was from France, about 220. In Iraq, the list was headed by West Germany with 558 citizens, followed by Britain, 433, and Ireland, 401.

A total of 38 Americans are among about 168 foreigners being held in Baghdad hotels under armed guard.

Miss Tutwiler declined to describe how people were leaving Kuwait.

She said all U.S. officials and dependents in Kuwait were now in the embassy compound. In Baghdad, diplomats were free to move around the city and had reported developing food shortages.

She said the United States had been unable to confirm reports that all foreigners were being allowed to leave Kuwait and southern Iraq.

"Our understanding at this point is that the announcement about facilitating travel only applies to Africans, South Asians and Latins," Miss Tutwiler said.

About 40 to 50 carloads of Americans had rushed to the Kuwait-Saudi border on hearing the reports and were stuck there in blistering heat, she said.

"We are investigating reports that large numbers of non-Westerners are being allowed to leave Iraq and Kuwait, while Westerners are being turned back," she said.

Government officials in Jordan said about 3,000 Arabs and 71 foreigners fleeing Kuwait crossed into Jordan from Iraq on Monday.

The Philippines ambassador in Jordan, Basilio Castro, said 493 Filipinos were expected to arrive in Jordan later Monday. He said Manila would send two airliners to evacuate them.

## WEAPONS: Paris Briefs U.S. on Details of French Supplied Iraqi Arms

(Continued from page 1)

sources, the prevailing view is that Iraq is probably unable to strike a major blow at Western forces in the Gulf. These are among the reasons they hold this view:

• Iraq is cut off from any military help, including intelligence and resupply of weapons, of the sort that it once obtained from the West, the Soviet Union and China.

• Although it has big stocks of chemical weapons, Iraq has no way to fire chemical warheads accurately enough to disable air bases or carriers and challenge Western command of Gulf airspace.

• Iraq is not equipped to fight at night despite the advantage of darkness for a surprise attack.

With no prospect of replenishing its weapons, Iraq does not have the option of a war of attrition. Although Iraq captured 24 French-made Mirage F-1s from Kuwait, they are older models than Iraq's 64 Mirages. Iraq has only four of the Chinese-made bombers of the sort equipped to crudely drop Silk-worm missiles like bombs.

The biggest threat of Iraqi chemical weapons comes from their possible use on Soviet-supplied Scud missiles, but there is no publicly available evidence that Iraq has chemical warheads for them.

The Scud is too inaccurate to be used effectively against such military targets as airfields, and U.S. forces are protected by a combination of Patriot anti-missile missiles and fighters that could shoot down a low-flying missile.

Iraq has some extended-range Scuds—that probably only a half-dozen—that might be able to hit a city in Israel if fired from western Iraq, but they also would probably be intercepted, experts said.

If chemical weapons were used, the United States would use napalm—not nuclear weapons—to destroy Iraq's stockpiles, experts said.

## KAIFU: Dispute Over Japan's Policy Forces Him to Cancel Mideast Trip

(Continued from page 1)

Nevertheless, the cancellation seemed to many to reinforce Japan's image as a cautious and hesitating country uncertain about asserting its political interests in a way that might be commensurate with its status as an economic superpower.

"This shows that Japan simply isn't ready to forge an independent diplomacy," said Kent E. Calder, associate professor of politics and international relations at Princeton University, who is now in Tokyo.

"Japan really doesn't want to move

## Turkey Doesn't Expect Iraq War

**WASHINGTON**—President Turgut Ozal of Turkey said Monday that he did not expect war with neighboring Iraq, but that he had to take the precautionary measure of asking for a declaration of war because of the unpredictability of Saddam Hussein.

On U.S. television, Mr. Ozal said, "Mr. Saddam Hussein is a one-man show in Iraq, and therefore we have to take necessary measures in case he makes a mistake."

Parliament empowered the government to declare war or to send troops abroad if Turkey were attacked; Mr. Ozal said it was a precautionary measure.

His handling of the Gulf situation has been popular in Turkey, which could lose \$2.5 billion to \$3 billion in revenues after closing its route for Iraqi oil exports. A Gallup poll published in Turkey showed 55.2 percent of the public supported Mr. Ozal's decision to enforce pipeline sanctions.

In uncharted waters where there's any kind of risk.

In announcing Mr. Kaifu's decision to cancel, Misoji Sakamoto, said the prime minister needed to stay in Japan to assess the concrete steps Japan might take to assist the region.

"If Kaifu were to go to the Middle East as planned, he would provide encouragement, but it is better to do something more substantial," Mr. Sakamoto said.

"Words are clouds, but deeds are rain," he added, quoting what he said was an Arab proverb.

Japanese officials declined to specify what "deeds" might be in the offing. Some suggested that there might be technical assistance for the military efforts, or increased financial aid to Egypt and Turkey, or possibly even a pledge to increase financial assistance to the United States for stationing troops in Japan.

## SANCTIONS: A 'Pinch' on Iraq

(Continued from page 1)

that it takes steps to ensure the effectiveness of UN sanctions.

In Paris, a government spokesman said a UN embargo against Iraq and Kuwait did not extend to intercepting shipments of oil. Any attempt by French warships to stop tankers would make France a "co-belligerent" in the region, the spokesman said.

Mr. Bush and his top aides are avoiding the word "blockade" to describe a U.S. decision to use whatever means necessary to choke off Iraq's oil trade and imports of other goods, including food. But their intention was clear.

"I consider interdiction of shipping to be in accord" with UN sanctions, Mr. Bush said Sunday. "No point getting into all these semantics. The main thing is to stop the oil from coming out of there and that is what we're going to do."

A spokesman at the Australian Foreign Ministry did not hesitate to use the term "blockade." He said the goal of the naval force was to prevent any supplies going into or out of Iraq.

Diplomats at the oil terminal near Yambu, Saudi Arabia, said the Iraqi tanker Qadisiyah, which could carry up to 900,000 barrels of oil, failed in its attempt to moor because three tugboats that would normally have helped had been taken out of the water.

The diplomats said the tanker sailed away Monday.

It said that payments for Iraqi crude delivered even before Iraq's Aug. 2 invasion of Kuwait were being frozen. Payment is normally made by 30-day letters of credit.

"Drawing together the available economic indicators, the clear indication is that the Iraqi economy has been deteriorating during the last year," the newsletter said.

The newsletter said it was unlikely that Iraq, even before the embargo, could have found significant untapped sources of new money.

(AP, Reuters)

## Essay

# The Word According to Iraq's Obsessive Leader: Power

"Lastly, this book was, when first published, the first serious attempt to shed some light on Saddam Hussein as a phenomenon of distinguished leadership in dealing with others. It is the right of the new Arab generation to read about Saddam Hussein now, and especially after the guns have become silent and doves fly with the olive branch of peace above the region."

—Fouad Matar, preface to the 1990 edition of "Saddam Hussein: A Biographical and Ideological Account of His Leadership Style and Crisis Management."

By Alan Furst

International Herald Tribune

Events have outdistanced the sentiments of Mr. Matar's conclusion and twisted his words into irony. The best that can be said about the Saddam Hussein biography is that it confirms once again the cynic's definition of history as "One damn thing after another."

The value of "Saddam Hussein" is that it is a catalogue of pretenses—how Mr. Hussein is going to justify his actions on his way down the road to making Iraq a great and feared power in the world.

The basic assumption was stated by Mr. Hussein in a 1980 speech: "If you read the history of Iraq, you will find that it was either a shining light on the world, or that it was a shining light on the world of invading armies." The rest of the book details just how he plans to ignite the shining light.

For example, Mr. Matar's summary of President Hussein's strategic views on going to war with Iran:

(1) Iraq would gain territory from Iran. (2) War would end Iran's ambitions to export the Iranian revolution. (3) In Mr. Matar's words, "It would make the great powers sit up and take notice of Iraq when they plan their strategies for the Arab world." (4) Iraq would find out once and for all who were its friends—Kuwait was once one—and who its enemies. (5) It would test its army on the battlefield. And (6), again in Mr. Matar's words, "Iraq's army was, after all, being prepared for a national duty, the battle with Israel."

On the negative side, Mr. Hussein knew that eight years of national development projects would be destroyed, but most could be rebuilt. And since "the war with Iran is not going to be the last, and Iraq is in any case preparing for the war for the recovery of Palestine," they would also learn how true a friend the Soviet Union would really be when Iraq went to war against an ally of the West.

So the question becomes: Do you believe a person's book? One parallel is "Mein Kampf" where Hitler, too, laid out his plans for everyone to see.

There are, in fact, two Hitlers in the public consciousness. The first is the popular one—the strutting dictator with the nasty little mustache, the *typpichfresser* who rolled on the floor and chewed the edge of the carpet when he was having a bad day.

The other version of Hitler is not anything close to mad. The other Hitler was an ice-cold politician who saw that time and circumstance presented Germans with an opportunity to conquer most of the world if they kept their nerve and were willing to take chances.

That describes the Saddam Hussein of this book rather precisely, and as Mr. Matar's description of his views follows the same line.

For the German people, robbed of what is rightfully theirs and seeking to occupy their proper place in the world order, simply substitute the Arab people; for the Nazi party that was to lead them there, substitute the Ba'ath Party.

The Iraqi leader's political use of race is also akin to Hitler's, not only regarding Israelis but Iranians as well. Mr. Hussein called the war between Iraq and Iran a battle between Arabs and Persians and demanded, as did Hitler for the *Volksdeutsche*, full rights for the Arab national minority oppressed within Persian borders.

Mr. Matar's description of Mr. Hussein's attitude toward the Kurdish minority in Iraq is also instructive.

"The Kurdish question," he writes, "is one of those problems that can last for decades if the ruler is traditional and conservative, unwilling or unable to take the necessary steps, having fallen into the trap set by foreign agents. Alternatively, the problem can be ended quickly if the ruler is realistic, and if his ideological outlook permits responsible action."

Mr. Matar is not speaking here about attacks on the Kurdish people but, nonetheless, those two sentences end, eventually, in canisters of mustard gas. And thus the Kurdish "question" found an "answer."

All through President Hussein's biography, the

Somedays I like to be chauffeur-driven in my beach buggy

When I'm by the beach, I like to be chauffeur-driven in my beach buggy, so I can catch a bit of the salt air.

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## OPINION

## Herald Tribune

Published With The New York Times and The Washington Post

## Handwriting on the Wall

The House of Saud. The Emirate of Kuwait. The United Arab Emirates. How odd, even perverse, that the United States of America, that shining achievement of the European Enlightenment's crusade against feudal monarchy should in 1990 define its vital interests as lying with the preservation of a bunch of well-feudal monarchies.

Perverse, perhaps, but also justifiable for reasons of principle as well as the oil that lies beneath these sheikhdoms. Today's challenge to these royal states comes not from progressive democracy, but from the aggressive totalitarianism of Saddam Hussein, the bloody master of Iraq, Americans, along with most of the rest of the world, are on the right side of this quarrel, and of history.

Monarchy literally means a system of one-man rule. That surely defines the unchecked personal tyranny built over the past decade by Saddam Hussein every bit as much as it does the emirates. The Iraqi succession has not yet been made hereditary, but Saddam Hussein takes pains to remind the world that his Baghdad is the political heir of ancient Babylon.

By comparison, even Islamic fundamentalist Saudi Arabia looks good, let alone the quasi-constitutional monarchy that was pre-invasion Kuwait. Even Moscow, which prior to the Gorbachev era could be counted on to proclaim itself the assistant of history's unstoppable tide, denounces Iraq's aggression.

With Eastern European nations now groping for the political traditions of their pre-Communist past, there can be no easy

certitude about history's direction or pace. Yet those same European upheavals point to the force of a worldwide democratic impulse from which the Middle East may not long remain immune. Only weeks before the Iraqi invasion, members of a Kuwaiti parliament preemptorily suspended by the Emir in 1986 were vigorously resisting his latest bid to sidestep them.

Even if the present military crisis is successfully resolved and the sovereignty of the independent Gulf states assured, their rulers will face increasing pressures to broaden significantly the base of their regimes. Not even great power guarantors can assure indefinite survival to feudal monarchies if they refuse to adapt to more democratic times.

As for the isolated Saddam Hussein, he might ponder the fate of those Babylonian kings to whom he likens himself. Nebuchadnezzar, the Book of Daniel tells us, was once so powerful that "all the peoples, nations and languages trembled and feared before him." It went on: "But when his heart was lifted up, and his mind hardened in pride, he was deposed from his kingly throne, and they took his glory from him."

The lesson was not learned. Belshazzar, his successor, also grew dangerously intoxicated with his own might and importance. One day the fingers of a man's hand appeared and inscribed a cryptic message on the palace wall: It announced the abrupt end of his reign. Is the handwriting already on Baghdad's walls?

—THE NEW YORK TIMES.

## Oil and the Poor

The wide swing in the oil market from \$16 a barrel to \$25 a barrel caused by the Iraqi invasion turns thoughts in Western capitals to questions of supply. In the Third World, especially the heavily indebted oil-importing countries, the chief worry is price, and for good reason. The last oil-price shock, in 1979-80, was met with stringent anti-inflation measures and tight monetary policies in the West leading to the worst global recession in 50 years, the accumulation of huge debt in less developed countries, the LDCs, and a first-class international financial crisis.

Today, however, people who follow these developments closely agree that economic conditions are much better than they were 10 years ago. First of all, no one is expecting interest rates, at 8 percent, to reach anything like the 20 percent of a decade ago—a rate that hamstringed the debt-paying ability of the developing countries. And while the U.S. economy is slowing down, the robust European and Japanese economies can be expected to continue to absorb LDC exports, notwithstanding a \$25 barrel of oil. This is an important change, since the last time around, the United States purchased a

disproportionate share of LDC exports—nearly the entire increase in LDC sales in 1982-85. Commercial banks can also breathe easier this time, since their share of LDC debts, through debt swaps, sales and writeoffs, has fallen dramatically from a threatening 70 percent to less than 50 percent, with the slack being taken up by Western governments and international institutions such as the World Bank.

Finally, a \$25 barrel of oil will have a different meaning for different parts of the Third World. For oil producers such as Mexico and Venezuela, it means an added \$4 billion in annual export earnings. For heavily indebted importers such as Brazil, it could mean a loss of as much as \$2 billion of export earnings, which will be difficult but not impossible to handle; for the poorest of the poor nations, in sub-Saharan Africa for example, it means an increase in problems of which they have far more than their share.

Because the rest of the world can bear this new oil price burden a great deal better this time around, we should step up to the table and devise a plan to assist those poorer nations that Iraq has hurt the most.

—THE WASHINGTON POST.

## The Press Deploys

In a wise change of course, the Bush administration has prevailed upon Saudi Arabia to permit first-hand coverage of the U.S. troop deployment by American journalists. The city is that the decision came so late, suggesting that the Pentagon has yet to learn from its mistakes in limiting coverage of the Grenada and Panama invasions.

The deployment in Saudi Arabia puts the lives of thousands of troops in peril for months, if not years. Costly in dollar terms and risky in diplomatic terms, "Desert Shield" requires public support. Only credible information can assure that support in a region now boiling with Iraqi cries for a holy war against American forces.

Initially, the Defense Department appeared to bow to a Saudi refusal to permit

American reporters. Dismay was heightened by George Bush's careless statement that "There's plenty of reporters in Saudi Arabia," when he would have been hard pressed to name one such American.

In reversing course, the Pentagon has begun to abide by its own rules. Aiding the Saudis does not require adopting the values of a closed society—and that point should never have been left in doubt. In any military operation, journalists are surrogates. Their independent accounts are the indispensable corrective to official smoke. Police states like Iraq can invade in stealth and occupy in secrecy. But U.S. experience attests that without public understanding and approval, no sustained military venture can succeed.

—THE NEW YORK TIMES.

## German Reckonings

Germany, East and West, is now going through a swing in mood after the euphoria of the past year. The East Germans, struggling with the unfamiliar realities of a market economy, have suddenly understood that they face a future as the poor and dependent provinces of the new country. West Germans, for their part, are beginning to realize that their warm and generous offers of support are going to cost a great deal more than they had thought.

As unification gets closer, the parties have begun maneuvering fiercely for advantage in the crucial first all-German election. A week ago the Christian Democrats, in power in both governments, tried to move the date up from December to October.

During the past year the timetable for unification has been repeatedly accelerated by the warnings of imminent collapse in the East German economy. Unemployment is now rising rapidly, and the two governments said that they wanted once again to speed up the schedule for the election and the completion of unification. That, they argued, would reassure the Western investors on whom they are counting to generate new jobs for the people laid off by the failing enterprises of the vanished Communist regime.

Untrue and unfair, cried the opposition. It charged that Chancellor Helmut Kohl only

wanted to get the elections over before his constituents fully realized the speed at which the costs of unification are mounting. Changing the election date would have required a two-thirds vote in the Bundestag, and Mr. Kohl has now dropped the idea. It was his first significant defeat in the intricate process of creating one Germany.

Until now, progress toward unification has proceeded with such speed and support that it has been easy to overlook the enormous questions of public policy that have to be resolved. The Germans are joining two populations that have lived under dramatically different circumstances for 45 years and who are only now coming to realize the depth of the differences between them.

It is remarkable that there have not been more serious disputes over the terms of unification, and that the current quarrel is now nothing more than the normal jostling among competing parties. It remains all but certain that the country will be united, legally and finally, under a newly elected government, before Christmas—3 prospect that was unimaginable a year ago.

But the past week's scufflings are a sign of rising awareness among Germans that their new state is going to bring deep, and expensive, changes to both of its halves.

—THE WASHINGTON POST.

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## Saddam's 'Jordan Card' Could Turn Up

By Robert Satloff

OXFORD, England—King Hussein of Jordan alienated patrons, friends and allies alike when he initially cast his lot with Iraq and its conquest of Kuwait. For his troubles, he may very well find himself next on the hit list of Saddam Hussein.

The deployment of U.S. troops in Saudi Arabia, coupled with decisions by Saudi leaders and Turkey to join in the blockade of Iraq, have set the clock ticking for Saddam Hussein. It is the Iraqi leader's task to find a way out of his predicament before his economy and popular support are asphyxiated.

At the moment, with the world pitted against Iraq, the battle is too one-sided; Baghdad needs to raise the stakes or order a save what it has and complicate Western and Arab countermeasures. To do so it must create an environment that will permit a resolution without concession. The most logical escape route is through Jordan.

This can be achieved by publicly requesting permission from King Hussein to deploy troops in eastern Jordan to defend against either the hostile U.S. presence in Saudi Arabia or the prospect of an Israeli attack. The Iraqi leader does not actually need an invitation from Jordan nor does he have to deploy troops across the border for his gambit to succeed. Raising the issue will be enough.

The Iraqi strategy would be to manipulate the divergence in American and Israeli strategic interests that would be highlighted by the threatened entry of Iraqi troops into Jordanian territory. The key factor is the possible split between Washington and Jerusalem on their "red lines" in

the Middle East: imaginary markers in the sand that, if crossed, would trigger a military response.

As Mr. Bush first declared and then amply demonstrated, U.S. troops would fight for the Saudi oil fields, though not necessarily for the Saudi regime. America has made no similar commitment to the defense of Jordan. America's red line, for now, is the Saudi border. Israel's "red line" runs along the Jordanian, not the Saudi, border. Any change in the disposition of forces inside Jordan would almost certainly send Israeli troops pouring into Jordan.

Saddam Hussein could transform his lone-wolf conflict with the entire civilized world into an Arab-Israeli problem. He will have succeeded in engaging two vital American interests in the Middle East—the security of Israel and the defense of oil resources—and moved the focus of conflict away from the conquest of Kuwait.

Would the United States extend its security umbrella to Jordan and thereby confront the possibility of fighting alongside Israel against an Arab state for the first time?

Would Saudi Arabia risk Arab opposition by continuing to offer itself as a U.S.-Israeli campaign against the most popular Arab leader today?

Would Syria stand idly by if it saw Israel and Iraq carving up territory

it views as its historic patrimony?

In this scenario, Jordan would be coming either a battleground or a bargaining chip. In a gesture of good will, the Iraqi president could guarantee Jordan's independence and integrity while demanding the right to intervene there militarily. His conditions would be the status quo post the conquest of Kuwait—that is, the departure of Western forces and the lifting of the blockade.

In Iraq thinking, this would provide a neat conclusion to the current crisis. The world has no stomach for a war over Jordan. King Hussein would probably plead for the Americans to accede to Iraq's demands so as to avoid the dismemberment of his realm. Only Israel would howl at the terrible precedent that had been set. Diplomats on all sides, of course, would make it appear as though both peace and honor had been achieved.

America should shut off this escape route now, before Saddam Hussein has the opportunity of using it. The administration must state clearly that its "red line" extends to Jordan, seek strategic understanding with Israel regarding the threat of an Iraqi deployment and compel King Hussein to openly declare whether he sits on the Iraqi or the U.S. side of the fence.

Preventing Iraq's president from playing his "Jordan card" will go far toward maintaining the intensity of the global quarantine against Iraq and help hasten the resolution of the crisis.

The writer is a fellow of the Washington Institute for Near East Policy. He contributed this comment to The New York Times.

## Just How Many Oil Crises Can the American Economy Weather?

By Jimmy Carter

The writer was president of the United States from 1977 to 1981. This is the second of two articles.

ATLANTA—No plan will totally free America from a significant dependence on imported oil. We can never completely insulate ourselves from the vagaries of the international petroleum market any more than we can from the twists and turns of other sectors of an increasingly interdependent global economy. We can, however, with a modicum of foresight and creativity, greatly increase our ability to weather future crises.

We must do it ourselves, for ourselves. No one and no thing, including the free market, will do it for us—as events of the past decade have amply demonstrated.

We did it, true, take some action in the late 1970s that mandated an increase in automobile efficiency, improved home insulation and discouraged the waste of electric power. We initiated a strategic petroleum reserve, which now holds some 590 million barrels of oil, equivalent to 80 days of imports. This limited supply has already helped to hold down the price of oil, but it also underscores our shortsightedness.

We reduced our planned purchases for the reserve out of a misguided belief that this was a cheap and painless way to reduce escalating budget

deficits. (The reductions would have been much worse had Congress not intervened.) To make matters worse, these reductions came at a time when the cost of oil was at rock bottom, less than half what it is today. The net result is that the strategic reserve is now smaller relative to our level of imports than it was five years ago.

Almost all the other measures that could have helped us now, some established by law, have been ignored and virtually abandoned. Alternative energy sources such as solar power, clean coal, synthetic fuels and the recycling of trash to energy are testimonies to unrealized potential.

Conservation of energy, which I have always believed to be the cornerstone of a workable plan and which other industrialized nations have made a focus of national policy and public education, has become an afterthought in the United States.

A tax on imported oil which would have promoted conservation, reduced the federal deficit, stimulated domestic production and discouraged im-

ports was shot down in a political crossfire before it got off the ground.

Domestic production, which requires some degree of price stability, a measure of carefully targeted government support and active promotion of resourceful compromise with conflicting interests, is now significantly lower than it ought to be. More than 4,000 drilling rigs were operating in this country at the beginning of the decade. Last week the total was less than 1,000. We are now importing one-half the oil we consume.

Not only are we no better off now than we were 10 years ago in terms of our ability to weather a disruption in oil supplies, but we are much worse off in comparison to our competitors.

Abandoned mills and factories, vanished jobs, and the prolonged erosion of the economic well-being of American workers are eloquent testimony to the fact that we are, if not losing the battle for international competitiveness, at least sustaining heavy losses. This oil crisis will add to that casualty list and will leave us

even less able to compete. This will happen, not because of unfair laws and practices in West Germany and Japan, but because those countries learned their lesson years ago and acted upon it, and we did not.

Recently reported figures underscore the point: each \$1 increase in the price of a barrel of oil will cut \$1.3 billion a year from Japan's massive trade surplus, but it will add more than twice that amount to our already dangerous trade deficit. The impact of increasing oil prices on the production costs of Japanese goods will be only one-third the impact on American products. We use 2.5 times more energy per person for commercial purposes than Japan and 1.5 times more than West Germany. Japan's oil reserves, measured in terms of days of supply, are 75 percent greater than ours.

Few people know better the difficulty involved in devising a workable energy policy for a nation as large and complex as ours, particularly in a year like 1977 when oil supplies were adequate and many argued that there would be no crisis in the foreseeable future. Certainly, some of those difficulties were caused by trying to do too much too fast and others by not

fully understanding the interplay of the complex interests involved.

I hope the next effort will be free from those shortcomings. Whether it is or not, my message at its simplest is that there must be a next effort.

I was pleased to hear President George Bush call for conservation in his speech last week. Indeed, there are a few steps that can bring immediate results. But the most important elements of an effective energy policy will require serious long-term changes in our societal attitudes and policies. Great issues are involved, success is not assured. There will be inevitable dissension among consumers, producers and the myriad pressure groups involved. No truly comprehensive proposal will be totally acceptable to every interest, perhaps not to any. The short-term politics of the issue are not attractive for the White House or Capitol Hill.

In short, we will once again be faced with the necessity of paying a year-term price economically and politically for much greater long-term gains. We will have a choice between accepting the many reasons to do nothing or looking for ways to get the job done. How we choose will depend upon whether we have learned any more from our third lesson than we did from the first two.

I remember that in my first of many attempts to mobilize support for a national energy policy I spoke of the "moral equivalent of war." It was, perhaps, a rhetorical excess in an actually less than heroic effort. It was somewhat deficient in rhetoric, excessive or otherwise. In any case, I also recall that there were those who were amused. As we now watch our carriers steaming toward the Strait of Hormuz and our young men in battle gear embarking for the Arabian Peninsula, I hope that our national response will be more sober.

The Washington Post.

## 100, 75 AND 50 YEARS AGO

## 1890: The Map of Africa

PARIS—Commenting on Lord Salisbury's Speech in the House of Lords on the Anglo-French convention in this morning's [Aug. 14] *Figaro*, M. Jacques St. Cergue says: "It is only necessary to glance at a map of Africa to understand that that continent is destined to be the theatre of all the ambitions of all the quarrels, of all the spoliations, in one word, of all that form the relations of one government with another government. From this point of view it will be the black Europe, the bottle, or rather the continent, of diplomatic ink."

## 1915: Gallipoli Battles

ATHENS—Operations on an extensive scale have been resumed on the Gallipoli Peninsula. The battle has been general in the region around Krithia. The Allies have been strongly reinforced, attacked the Turkish positions, and in brilliant

fashion won two lines of trenches, which possess considerable strategic importance. In the region of Achille the artillery duels have been intense. At Ari Burnu, a British battalion was forced to retire for some 300 yards before a particularly violent attack, but the position is now the worse for that occurrence.

## 1940: Italians Attack

ROME—Italy's military commander asserted today [Aug. 13] that the battle for Berbera in British Somaliland has been raging since 1 p.m. Sunday, when it was begun by an attack of Italian troops on the main body of enemy forces. "The battle continued yesterday with a series of fierce conflicts in the zone of Adaleh, which has been occupied. In the same zone we brought down a Blenheim (bomber) and picked up the body of the pilot, a captain. During the battle we lost one plane."

From the New York Times of the New York Herald Tribune.



## OPINION

A Risk, Too,  
On the U.S.  
Home Front

By Tom Wicker

NEW YORK — If President Bush loses the gamble he took in pledging that Iraq's conquest of Kuwait "will not stand," he might turn out to be a loser in American politics, too.

For the moment, polls and every other indication suggest that the Democratic Congress as well as the American people approve of Mr. Bush's determination to oppose Saddam Hussein, even to send troops to Saudi Arabia to ward off a further Iraqi aggression.

Mr. Bush's well-received performance as commander in chief also may have allowed him to recover, at least for the time being, from reaction against his broken pledge not to raise taxes, and to rise above unwelcome economic news.

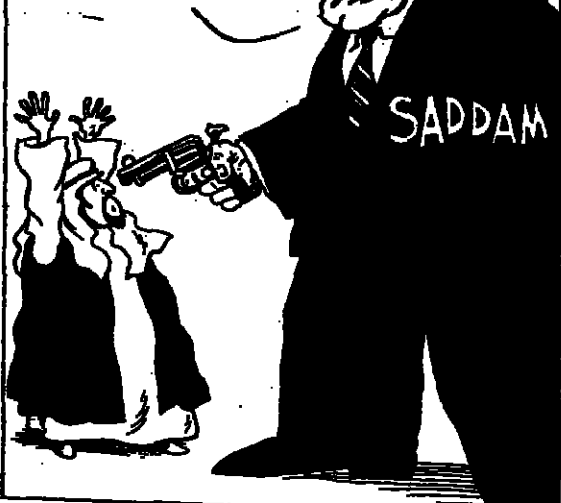
That is not surprising. Presidents who use military action abroad, particularly if they use rhetoric appealing to the overdeveloped American sense of self-righteousness, always benefit from a rally-round-the-flag effect. Mr. Bush spoke in ringing tones of turning back an aggressor and played on memories of the disastrous failure of other nations to stop Hitler's Germany at the outset.

Prudently, the president did not picture his defense of Saudi Arabia for what it also is: protection of the oil supplies that fuel Western economies. Americans are not so ready to fight wars for such realistic but unrealistic reasons.

Nor has the word "Panama" passed Mr. Bush's lips in the Middle East crisis. But Panama is relevant, for at least two reasons. One is that not a few nations and at least a few Americans regard the U.S. conquest of that country as having been aggression masquerading as "Operation Just Cause."

George Bush thinks that Panama was different; that was our aggression, not their aggression. The second reason is that in Panama, U.S. forces were able to make the hit, quickly win a one-sided battle, and come home before the criticism began to build. So were the forces engaged in Ronald Reagan's glorious victory over Cuban construction workers in Grenada. In the age of television, such hit-and-run wars can be celebrated, since there is no need or time to watch on the home screen as a long parade of body bags comes sadly home.

The Bush administration, perhaps at the behest of the feudalistic Saudi regime, did not permit a U.S. press pool to accompany the first troops sent to the desert — despite pledges, after Grenada and Panama, not to black out the U.S. public again. That may suggest White House hopes, however vain, for another quick, successful, vote-getting operation. In the Middle East, that may not be in the cards. Indications are that Saddam Hussein will not invade Saudi Arabia and

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UP!

GLADLY.

PRICES



undertake the war with the United States that Mr. Bush's moves make a certain result. But nothing suggests, so far, that Saddam Hussein will pull out of Kuwait and restore the emirate, in effect surrendering to Mr. Bush's public demand.

If the president then tries to drive Iraq out of Kuwait by military force, it will not be a quick or bloodless operation, and it might not even be successful; and the alternative, as it now appears, would be a stalemate in the desert.

Iraq in Kuwait, the United States in Saudi Arabia. As became evident in Korea and Vietnam, however, the American public has little tolerance for long, limited, stalemated wars and the

high casualty rate that they bring. If such a stalemate develops, which many military experts and authorities on the region believe likely, Mr. Bush might soon find himself under the severe public pressures to win or settle an unpopular, faraway conflict like those from which Presidents Harry Truman, Lyndon Johnson and Richard Nixon suffered in Korea and Vietnam. Those presidents had international military support; but Mr. Bush may not be able to persuade other nations — save Britain — to keep troops for long in a peacekeeping force in Saudi Arabia.

Meanwhile, tightening oil supplies and rising oil prices might bring both

inflation and recession in the United States, a tough combination to overcome for a president seeking congressional majorities and his own re-election. Thus, the long-term political outlook for Mr. Bush may not be so rosy.

He and his political advisers are well able to make that calculation for themselves; apparently, they went ahead, anyway, with a policy they considered necessary, despite its political hazards. But beyond the line he has drawn in the sand, perhaps George Bush and the nation now can see that it would make more sense to regain independence from Middle East oil than to die for it.

The New York Times.

## A Swaybacked Bed in a Strange Room

By Mary Cantwell

NEW YORK — All of us were talking about where we were going to go on holiday.

In another month or so, one of the guests was heading for the north of Portugal, where the grapes would be ripe for the picking and men and women with funny flat-sided baskets lashed to their backs would be climbing the steep slopes.

Two others were going to Venice for a few days, then touring the coast of Yugoslavia. A fourth guest said that now that she'd finally bought an air conditioner, she thought she'd just sit in her living room.

I said I'd like to go to Australia again but doubted that my daughter could get time off from her job, so maybe I'd better wait until she could.

The heat was upon us; the flowers in the middle of the dining table burned blue; and over in a corner, the new puppy, floppy and fat-pawed, worried the old dog, who looks like a floor mop.

A summer night in New York, with the city humming like a generator and eight people spooning up ice cream that puddled as fast as it hit the plate.

I have had many evenings like this, evenings when a group of people spoke about where they had been and where they would go and where they would never go. It's not that they lacked the will, or that they didn't have the money. It's just that in any given lifetime, we're always a part of the world that's off-limits.

In my father's truncated lifetime almost all the world was off-limits. He was too young to go to war during World War I (a hell of a way to travel, of course, but a start) and too old to go during World War II, and in between there was marriage, followed by the Depression, followed by fatherhood. Those three events conspired to keep him at home, and then he died, and that was that. So I have done his traveling for him, sending reports,

sometimes, into the thin, thin air. Like most of my kind, I read Hemingway when I was still young enough to take the lure, so the first place I wanted to see was Paris. I wanted to see Spain and eat fresh-caught fish by an ice-cold stream, too, and ride London's big red buses with the Ty-Phoo Tea signs on their sides. I did it all, all but

## MEANWHILE

the trout, and a lot more as well; and carefully wrote down the sights seen and the meals taken (with prices) in little books with marbled paper covers.

In the beginning, my luggage was a big, zippered, green plaid suitcase bought at discount, and because I had never taken a really long plane journey, I was frightened before my first flight across the Atlantic. But a friend told me to imagine that I was driving alone on an enormous highway, and I did, and have ever since.

Unless I was in a country where the living was cheap, my hotel rooms seldom had adjoining baths. They were down the hall or, once, down on the next floor, with a scrub brush beside the toilet and the scent of disinfectant in the air. I am not fussy, so only two of the rooms defeated me. Both were in London. I can see why the British value coziness. It is the first, last and best defense against the encircling gloom.

Sometimes I dreamed that I had broken off the journey and flown home. Then I'd wake relieved to find myself in a swayed-back bed in a strange room with shutters closed against a strange sky.

But why was I relieved? More often than not I was lonely, and envious of those to whom this place, whatever place

it was, was home. I envied them their own front door and the groceries under one arm and the prospect of supper at their own table. But I never broke the journey; I continued to the end, and when I was once more home, I felt I had traveled more miles than there are on this earth.

"I think that traveling alone is so much more pleasant if one has a project. Don't you?" The man at my right was asking me a question.

I do! I do indeed. In fact, I could not bear to travel alone without a job to do. I am not brave enough. But if one has work, one has a companion. It has partnered me in restaurants, down streets I didn't want to walk, into conversations with those I might otherwise have been too timid to even ask the time.

Above all it has roused me from hotel rooms in which I have spent too long in bed, missing my children and puzzled that I have again gone so far from home.

Now it is easier. Now I seldom travel, and if I do it is to visit a daughter. That means there is someone waiting for me at the airport, a friend with whom I will dine.

But I miss it. I miss the misery. I miss being so lonely that I was stripped of skin, defenseless against strange sounds and smells and sights that are now absorbed for life. Today I can summon them up in no time at all. Give me a minute and I am sitting in a ruin in Turkey called Priene, listening to a sheep's bell and staring at the sharp green of licorice plants.

This week my younger daughter deposited her cat with me for a few days' safekeeping. Like all cats, she checked out every inch of the house, nosing suspiciously into every nook and cranny.

That's what those cursed, or blessed, with the nomad's foot do. Deposited wily-nilly on this earth, we check it out. We nose around.

The New York Times.

## LETTERS TO THE EDITOR

## Mideast Crisis: Saudi Options and the Role of U.S. Allies

Saddam Hussein has been referred to as being "coldly calculating." Then surely he would view it as being less advantageous to Iraq to invade Saudi Arabia than to use the kingdom as a means of cushioning the impact on Iraq's economy of the sweeping international sanctions currently being imposed. Iraq, for example, might be able to extract considerable financial and other support from the Saudis in exchange for Iraqi assurances of nonaggression. The Saudis, for their part, might view this option as being less fraught with danger, at least in the short term, than adopting a confrontational stance.

WILLIAM M. LIBURD,  
Meyrin, Switzerland.

The United States has a responsibility, as the major superpower, to take decisive action against Iraq and all those who try to undermine global stability

and security. All NATO members, led by the United States, must help to enforce the oil and economic embargo against Iraq. Most of all, military assistance must be offered to all neighboring countries facing the same fate as Kuwait.

YVAN NIKKHO,  
Boulogne-Billancourt, France.

Pundits were telling us B.S. (Before Saddam) that the United States was in terminal decline, with the new Germany preparing to take over as world leader. But in a few days, the United States not only mobilized a mighty military force and moved it across the world, but also marshaled the toughest, near-universal economic blockade coalition in history.

What was the new Germany doing? Squabbling for partisan advantage over a new election date; but, so far, nary a German soldier or plane in the Gulf, nor

any sign of Chancellor Helmut Kohl in Washington with President George Bush, where the German leader has been seen so often lately.

FRANCIS M. S. PEEL,  
Geneva.

The main justification for the billions of dollars that the United States has poured into Israel is that Washington was building up a powerful proxy to protect U.S. interests in the Middle East. Has the time come to test that theory?

J. C. DIXON,  
Paris.

## Correction

A letter to the editor published Friday incorrectly identified the rank of the writer, David Douglas Drucan. It should have been Lieutenant Colonel U.S. Marine Corps (retired).

## Soviet View: NATO Arms Planning Is Behind the Times

The editorial "No to This NATO Missile" (July 17) raises a principal question when it says, "As Soviet forces withdraw from Eastern Europe and NATO moves smartly to reduce its dependence on nuclear weapons, it makes no sense for the alliance to consider deploying new tactical air-to-surface missiles."

The Soviet Union and the United States are destroying medium-range and shorter-range missiles under the Intermediate Nuclear Forces Treaty. We have objectively favorable conditions for moving toward the third zero — the elimination of all tactical nuclear weapons.

The Soviet Union unilaterally pulled out 300 tactical items (166 aviation and 50 artillery charges and 284 missiles) from allied territories in Europe in 1989. It is prepared to move further if tactical nuclear arms are discussed, and if the other side acts likewise. The Soviet Union is not modernizing its tactical

missiles or replacing them with more sophisticated weapons.

My country has the right to expect reciprocity. On the contrary, we are facing NATO's desire to modernize its tactical nuclear capability through the deployment of air-based cruise missiles in Europe, instead of nuclear artillery and ground-based missiles. What is behind this position? Why is the military might of the United States and, hence, of NATO, planning reductions in one direction, while at the same time increasing in others?

Taking into account that the question of "air-to-surface" tactical missiles remains unresolved, the provision of the declaration of the NATO session in London on "modernization" of the nuclear capability is clearly in discord with the call for a nonaggression pact. As Dmitri Yezov, Soviet minister of defense, said in a recent interview with the Novosti press

agency in Moscow, "Certain forces in the West still stick to the old positions, namely that the Soviet Union is an enemy of the Western countries."

It may be difficult to stop believing in "nuclear deterrence," including the tactical level. This belief is still alive in the minds of NATO leaders.

Although the NATO leaders have realized that the alliance has long been ripe for change, the doctrine of "flexible response," which is now the foundation for NATO, was a palliative of the doctrine of deterrence. Adopted in 1967, the doctrine of "flexible response" was so modified in the early 1970s and the '80s that it came to resemble the doctrine of massive retaliation and deterrence with which NATO was born.

I doubt that NATO's stand meets new East-West relations and the changing Soviet-United States relationship.

ALEXANDER MALYSHEV,  
Senior Information Officer,  
Soviet Embassy, Washington.

## GENERAL NEWS

## Rough Trip for U.S. Tourism Industry

Wary of Recession, Vacationers Camp Out, Eat In and Head Home Early

By Robert Reinhold

New York Times Service

SAN DIEGO — Recession looms across America, and wary vacationers are camping out, eating in and heading home early to save a few dollars.

From the lush San Diego zoo to the rocky coast of Maine, the travel industry is having its toughest summer in more than a decade. It sees the decline of tourism as an early warning of economic troubles, as an accurate barometer of consumer confidence.

"People are watching what they spend — they fear a recession, if a recession is not already in progress," said a spokesman for the 74-year-old zoo, which last week imposed a hiring freeze after attendance in July fell 12 percent compared with last year. "Consumer confidence is down."

Compounding industry woes is the sharp increase in gasoline prices after Iraq's invasion of Kuwait. And a recent round of fare increases of from 5 percent to 10 percent by American, Northwest, Pan American, United, TWA and other airlines seems certain to further depress leisure travel.

"I've had a lot more customers call up, get prices and then say it's really out of their price range right now," said the owner of a Los Angeles travel agency.

Instead, people are taking cheaper vacations closer to home. "Normally we go to Florida for a week, but we just went to Cape Cod for the weekend," said Deborah Ginty of Middle-town, Rhode Island. "We've had a lousy vacation."

Thus, even as revenue is down 10 percent this summer at the Chatham Bars Inn on the Massachusetts cape, the number of visitors is up 10 percent at the nearby beaches of the Cape Cod National Seashore. "People may be doing more outdoors, one-shot kind of vacationing," said the park's chief ranger.

The Midwest and the Rocky Mountain states are the main exception to the trend.

Officials report that leisure travel is up 7 percent in Illinois, 5 percent in Missouri and 12 percent in Idaho.

A spokeswoman for Yellowstone National Park in Wyoming reports a banner year — visitors totaled 526,260 in June, she said, compared with 472,856 a year earlier — and at Rocky Mountain National Park, Colorado's prime tourist attraction, visits were up 15 percent in June.

Near Saugatuck, Michigan, a Lake Michigan resort popular with Chicagoans, the family-run Crane Orchards reported a good summer at its bed-and-breakfast inn and restaurant.

Midwest officials attribute success to prices lower than on the coasts, to aggressive promotion and to a relatively stable regional economy. "We're now opening the book on Wisconsin's west," said a spokesman for Wisconsin's tourism authority, which expects visitor spending this summer at least to match last year's increase of 18 percent.

But the story elsewhere is mostly negative: In the District of Columbia, visitors to the monuments along the Mall are scarcer this year. Sales of hot dogs and snacks at the dozen stands operated by Guest Services Inc. were down 17 percent last summer and are slipping again. The

Smithsonian Institution's Air and Space Museum reported 100,000 fewer visitors in June compared with 1989.

At Colonial Williamsburg, in Virginia, attendance is steady, but hotel occupancy declined to 66.9 percent in June from 72.4 percent in June 1989. "We seem to be a victim of shorter stays, shorter trips and shorter times on the road," said Roy Pearson, director of business research at the College of William and Mary in Williamsburg.

In the Northeast, where the recession has been centered, nearly all resorts report a bad summer. Visitors are tending to make day trips to Martha's Vineyard, leaving many of the Massachusetts island's 2,000 hotel and motel rooms vacant. "In a one-industry economy like the Vineyard," said the executive director of its chamber of commerce, "any lack of confidence in consumer spending is deadly. Tourism on this island impacts everything."

Tycoon's, a steak-and-sandwich restaurant in Newport, Rhode Island, is "not getting the same amount of tourist cash as in years gone by," said its general manager. "The droves of people who are coming are just not spending any money. Something like eating out is the first thing to go when people are worried about the economy."

The number of visitors is off about 10 percent at Sea World in San Diego and about 6 percent at the Hearst Castle at San Simeon, California. Attendance by Southern Californians is holding up, officials say, but visits from out of state are down by more than 25 percent at Universal Studios in Hollywood and 5 percent at Knott's Berry Farm in Buena Park.

Yosemite Still Shut  
As Wildfires Rage

Los Angeles Times Service

YOSEMITE NATIONAL PARK, California — Dozens of wildfires started by lightning have devoured thousands more acres of forest land across California, including areas of Yosemite National Park.

Fire fighters lost ground to two blazes at the western edge of Yosemite on Sunday, and officials announced that the park would remain closed at least until midweek.

The largest of three fires in the park threatened a campground, gas station and general store near Arch Rock, fire officials said. The Arch Rock fire, which already has destroyed 66 structures in the village of Foresta and claimed timberlands valued at \$7.2 million, jumped into the adjacent Stanislaus National Forest and charred 3,000 acres (1,200 hectares) of spotted owl habitat.

Meanwhile, some 20,000 fire fighters battled hundreds of other fires in six Western states, which had burned more than 856,000 acres by Sunday, according to Reed Jarvis, a spokesman for the National Fire Information Center in Boise, Idaho.

Disneyland, like most theme parks, has recently raised its admission rates — from \$23.50 to \$25.50 — at a time when a family of four might find itself hard-pressed to spend \$200 or more a day, with meals and souvenirs.

In the Southwest, the Grand Canyon National Park saw in July the first decline in visitors in a dozen years, to 400,358 from 471,813 in 1989.

In New York City, hotel occupancy in the first half of the year was down slightly. The number of visitors taking tours at the United Nations has been about 7 percent below 1989 levels, and the slump on Wall Street has slowed the tourism industry on the eastern end of Long Island.

The situation in Florida is difficult to gauge because of the openings of the Disney-MGM Studios theme park last year and Universal Studios Florida this summer. Orlando, where both are located, has been booming as a result, but experts foresee a softening even there. In Miami, attendance at both the Miami Seaquarium and Parrot Jungle was down 3 percent in June from last year.

In certain areas a rise in tourism by foreigners, stimulated by the weak dollar, has partly offset — but hardly counterbalanced — lost domestic business.

In the Pacific Northwest, foreign arrivals at Seattle-Tacoma International Airport rose 17 percent in the first half of 1990 compared with last year, while domestic traffic grew only slightly. Foreign tourism was helped by the Goodwill Games, which closed in Seattle on Aug. 5, but shops and restaurants on the city's waterfront and at Pike Place Market reported little additional traffic.

Hotel operators say guests are shortening their stays. For instance, the average stay is down to 5.3 days from 6.4 days last year at the 114-year-old Black Point Inn in Fronts Neck, Maine.

Americans have been taking shorter vacations for the last six years, according to the U.S. Travel Data Center, a Washington-based organization financed by the travel industry.

From 1984 to 1989, the number of weekend vacations (one to three nights, including a Saturday) climbed 28 percent, chiefly because young, two-career couples began taking shorter but more frequent breaks.

Longer vacations (10 or more nights) had been holding steady at \$0 million a year, the center found, with a small decline in the last two years. Tourism officials are saying that the decline in long trips is accelerating.

The \$40 billion California tourism industry has been hit particularly hard by the current slump. San Francisco, the prime destination, is still suffering the aftereffects of the earthquake last October and finds its troubles compounded by the national economic malaise.

Moreover, the state is facing greater competition from elsewhere — and a deteriorating reputation.

"I know they're getting stories about California in the rest of the country — about water being a problem, that you can't take showers in hotels, earthquakes, fires, gangs, freeway problems," said William R. Kramer, manager of visitor services at Hearst Castle. "It seems California is just not the place to go right now."

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# Li, on Tour, Tries to Calm Fears in Southeast Asia

By Michael Richardson

**SINGAPORE** — Prime Minister Li Peng of China, on a fence-mending visit to Southeast Asia, has made several conciliatory gestures to non-Communist countries to ease fear of China as a security threat, officials and analysts said Monday.

Before leaving Singapore on Monday for a two-day visit to Thailand, Mr. Li offered talks on joint development of disputed areas of the South China Sea, a reservoir of offshore oil and gas.

"That could be a very important confidence-building measure," said Norodin Sopie, director-general of the Malaysian Institute of Strategic and International Studies.

He said countries in the Association of South East Asian Nations that had claims to the disputed Spratly Islands in the South China Sea should respond immediately.

Mr. Li also appeared to open a way for Taiwan and Hong Kong, as well as China, to join the Asia Pacific Economic Cooperation forum, saying Taiwan and Hong Kong could do so as "regional economies."

China was previously reported to have said that it would only allow Taiwan and Hong Kong to become observers.

The United States, Japan and the 10 other members of APEC decided at a meeting in Singapore last month to begin consultations

with the "three Chinas" to bring them into the forum at the same time.

Mr. Li said it was "not likely" that Beijing would use force to bring about any eventual reunification between China and Taiwan, which have technically been at war since Chinese Communists drove the Nationalists from the mainland in 1949.

He indicated that China would not object if Singapore, which lacks space for training its armed forces, continued to send military units to Taiwan for training after diplomatic relations were established between China and Singapore, probably by October.

After 23 years, Indonesia and China signed agreements last week to restore diplomatic ties and step up economic cooperation. Although opening the way for Indonesia to play a wider international role, the normalization was also seen as a breakthrough for China, which has been isolated and condemned for its brutal suppression of the pro-democracy movement in June 1989.

Jakarta suspended links with Beijing in 1967, accusing it of backing an abortive Communist coup two years earlier.

In Indonesia, Mr. Li gave assurances that China would not use the millions of ethnic Chinese living in the region to serve its interests. Instead, he said they should become loyal citizens or residents of the countries in which they lived.

In an interview Friday with the official Xinhua press agency, Lee Kuan Yew, the prime minister of Singapore, said enhanced cooperation between China and ASEAN would depend on how confident ASEAN countries, especially Indonesia and Malaysia, were about China's long-term intentions.

The other ASEAN members are Singapore, Thailand, the Philippines and Brunei. He said China could win the immediate confidence of ASEAN by persuading the Khmer Rouge to accept a settlement which allowed the Cambodian people to choose their own government in elections supervised by the United Nations.

China is the main provider of arms and other supplies to the Khmer Rouge, the strongest single military group in the Cambodian guerrilla movement fighting against the Vietnam-supported government in Phnom Penh.

Asian officials said Monday that although Mr. Li had not given an undertaking to push the Khmer Rouge into line, China was very confident that it would reach agreement on terms for a comprehensive Cambodian settlement at a meeting later this month with the other four permanent members of the UN Security Council — the United States, the Soviet Union, Britain and France.

"China would then make the Khmer Rouge stick to an agreement because Chi-

nese prestige would be at stake," one official said.

China, Vietnam and Taiwan claim the whole of the Spratly Islands in the South China Sea, while Malaysia and the Philippines claim sections closest to their own territory.

In 1988, Chinese forces expelled Vietnamese troops from one of the islands in a brief but violent battle.

Mr. Li said that Beijing "is ready to join efforts" by Southeast Asian countries to develop the Spratly Islands while temporarily putting aside the question of sovereignty over the area.

But he added that China would not negotiate with Vietnam on the issue until after the Cambodian problem was settled and relations between Hanoi and Beijing were normalized.

## Hanoi Ready for Links

Vietnam is ready to normalize relations with China quickly and solve bilateral problems by peaceful means, Agence France-Press reported from Hanoi, quoting Prime Minister Do Muoi on Monday.

He said the normalization of ties "will be entirely in the interest of the two countries," in an interview carried by the official Vietnamese News Agency. He was responding to Mr. Li's statement in Singapore.

# Tibet's Nomads: Poor, Dirty and Proud

By Philip G. Smucker

**KAROL PASS, Tibet** — Sanom Tsering approached the travelers with some caution, only whispering lightly, "Dalai Lama, Dalai Lama," the ubiquitous request for photographs and information about the Tibetan spiritual leader.

Looking on with a faraway gaze in a broad felt hat, cheap Chinese tennis shoes and a sheepskin gup, Sanom, 15, was trailed by five ragged toddlers who all put forth the same plea with hands outstretched.

Further down the valley, older tribesmen herded their heavy, black yaks beside the rocky bed of a mountain stream. The lead yak lumbered along with a flapping red prayer flag harnessed between its shoulders.

At 4,900 to 6,000 meters (16,000 to 20,000 feet) above sea level, as high as any civilization in the world, the 500,000 nomads of the Chang-tang are the least affected by Chinese hegemony in Tibet.

Other than the rare soldier who extracts a highway bribe, there are few Chinese officials to remind nomads of Tibet's subservience to Han culture. But even here are to be seen the ravages of the Cultural Revolution that ended only a decade ago for China's fragile Buddhist minorities.

Once-sacred temples appear as piles of rock set against the limitless blue sky and mountain tundra. The People's Liberation Army slaughtered wild antelopes and asses for sport and food, and the resulting loss of fertilizer for the soil permanently upset the ecological balance of the grasslands.

Nomads, like their animals, were herded into communes. They were subjected to demeaning "struggle sessions" and forced to denounce their religion.

A little-known insurgency was backed by the Central Intelligence Agency. Nomad leaders were flown to the rocky mountains for training in guerrilla tactics. But the resistance splintered and disintegrated when U.S. relations with China took precedence over Cold War politics.

In 1980, the plight of the Chang-tang nomad was running a close parallel to that of the American Indian a century ago.

Melvin Goldstein and Cynthia Beall, in a book published this year, titled "Nomads of Western Tibet: The Survival of a Way of Life," wrote:

"People had no control over their lives. They were powerless and felt like slaves ordered here and there by their new masters."

The two professors interviewed hundreds of nomads about their experiences in the last four decades.

"What China did here was attempt to destroy religion entirely," said Mr. Goldstein, of Case Western Reserve Research Institute in Cleveland. "Suddenly they stopped and said, if you want to believe, go ahead. Most Tibetans still find it hard to talk as if it was the present, and not the past."

Yet Mr. Goldstein and Ms. Beall claim that the nomad's traditional way of life is on the way back.

Tibetan authorities who worked in collaboration with the Chinese Communists took the blame for their harsh dealings with the nomads. Communes were abolished, and each family was given 5 yaks, 25 sheep and 7 goats to start a new life. Natural economic balances prevailed.

The tribesmen have again turned with passion to religion to sustain them in their harsh habitat.

For the nomads, the land has regained its spirit as described by an Austrian mountaineer and tutor to the Dalai Lama, Heinrich Herzer, over four decades ago:

"Prayer wheels turn without ceasing, prayer flags wave on the roofs of houses and the summits of mountain passes, the rain the wind, all the phenomena of nature, the lonely peaks of the snow-capped mountains, bear witness to the universal presence of the gods whose anger is manifested by the hailstorm, and whose benevolence is displayed by the fruitfulness and fertility of the land."

Wild antelopes, blue sheep and gazelles again run free across a land that only the nomads have learned to master. Children like Sanom Tsering and his siblings still greet each other by touching foreheads.

They spend as long as 14 hours a day moving sheep, yaks and horses to and from pasture. Soaring winter prices for cashmere have made herd animals worth more and increased family income.

"Tribesmen prostrate themselves before mountains and slippery white glaciers. Piles of stones mark the sacred road to Lhasa, the capital."

The nomads are Tibet's most devoted pilgrims, traveling for weeks and months to mountain and monasteries. Many seek the Dalai Lama's blessing in Dharamsala, India. Chinese authorities still discourage monks from visiting the nomads.

"Before, each nomadic family had several learned lamas who traveled with them and gave lessons in religion," said a nomad leader, Paljor Tsering.

"The Chinese are going to make Tibetans the minority in Tibet," he said, "but they will have to keep one part of Tibet the same forever because herding, selling and skimming at 16,000 feet is an occupation that they will never be able to do."

"We are ragged, poor and dirty and will stay that way," he said.

# Bhutto Shuns Dealing With Government

Compiled by Our Staff From Dispatches

**KARACHI, Pakistan** — Benazir Bhutto, the former prime minister, on Monday rejected any deal with the interim government as police continued to hunt many of her supporters.

"I will not deal with the interim rulers," said Miss Bhutto. "I do not recognize them."

Miss Bhutto, 37, said she had been told that a senior official from the government would ask her and her family to renounce politics and leave Pakistan or face as yet unspecified charges.

But a source close to the government denied offering such a deal by saying, "Why should we let them run away?"

On Aug. 6, President Ghulam Ishaq Khan dismissed the 20-month government of the Muslim world's first woman prime minister; he also dissolved the National Assembly and ordered elections for Oct. 24.

He named as interim prime minister Chaudhry Muhammad Jatoi, who has accused Miss Bhutto's government of the worst corruption in Pakistani history and said she must face a judicial investigation.

Miss Bhutto said that arrests of sympathizers and of members of her Pakistan People's Party have been designed to force the government to concoct charges against her.

"A slanderous campaign has been launched against Asif Ali Zardari and myself for charges which do not exist," said Miss Bhutto, who married the businessman in December 1987.

Police said they raided houses Sunday in Karachi and arrested about a dozen persons, including senior officials from the Bhutto government.

They said many of those they sought appeared to have gone underground.

The new government has denied that the arrests have been motivated by politics.

Mr. Jatoi and his information minister, Abida Hussain, said that tribunals overseen by Supreme Court justices will be set up to investigate corruption charges.

Mr. Hussain said it was unlikely that the tribunals would complete their investigations before October's elections.

Miss Bhutto said that she would not appear before a tribunal established by her successors.

The authorities on Sunday allowed her mother, Nusrat Bhutto, to leave Karachi for London, and Miss Bhutto said that she also wanted to go to Britain for a few days. She did not say when.

Although the government has said the Bhuttos are not on its extradition list of people banned from leaving Pakistan, it was not clear how the authorities would view an attempted departure.

A Bhutto aide said the People's Party might boycott October's national and provincial assembly elections if any party members were disqualified on flimsy grounds from running.

Nusrat Bhutto would return from London to try to retain her seat in the National Assembly, he said.

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# In Rhode Island, No Peace Over VJ Day

New York Times Service

**PROVIDENCE, Rhode Island** — Behind a tiny U.S. flag on his office desk, Cliff Wilson, the state commander of the American Legion, talks of Pentagon outcries, *glasnost* and the Middle East crisis with cool detachment.

But mention Japanese pressure to change the name of a state holiday that will be celebrated Monday, from Victory Day or VJ Day to Peace Day, and the 62-year-old former navy gunner heats up.

"If they were offended when we called it VJ Day, we were pretty offended when they bombed Pearl Harbor," said Mr. Wilson, who is a

veteran of World War II. "Why should we have to pacify them?"

President Harry S. Truman proclaimed the holiday to mark Japan's surrender to the Allies on Aug. 15, 1945, and for years Victory Day was celebrated around the nation.

But now Rhode Island, the defiant colony that was the first to declare independence from England, is the only state still celebrating the Japanese surrender, although the state has changed to marking Victory Day on the second Monday in August.

Although many Rhode Islanders consider Victory Day just another chance for sunbathing, members of the state's small but economically influential Japanese community say some residents use the holiday as an excuse to cause trouble. A name change, they say, is not just a matter of semantics, but also one of safety.

The Japan Society of Rhode Island says the name Victory Day

promotes anti-Asian sentiments, slurs and racially motivated attacks. The cultural society has retained two lawyers to press for a change to a name like Remembrance Day or Peace Day.

"We are just increasing about increasing accounts of anti-Asian violence that have occurred on and around the holiday," said Jennifer Wood, a lawyer for the group, which has about 90 private and corporate members. "Keep the holiday, just change the name."

Hiroko Shikashiro, 47, a painter who was born in Japan, said she felt uncomfortable leaving her home in North Providence on Victory Day. "Because I am Japanese, I have always felt uneasy about going outside on that day," she said. "I think it is nice for people to have a holiday, but they should call it something else."

Legislators are facing two powerful constituencies, planted firmly at either end of the debate.

Rhode Island's 119,000 veterans, more than one-third of whom are World War II veterans, wield substantial influence over public policy decisions, state officials say.

More than 100,000 soldiers, or 10 percent of Rhode Island's population, fought in World War II. Now in their 60s and 70s, many of the veterans, who have successfully opposed two legislative efforts to change the name of the holiday, contend that the issue is not one of civil rights but of foreign economic interests.

Last year, Japan was Rhode Island's third-largest trading partner, receiving almost \$50 million in state exports, up from \$34.5 million in 1987.

## Violence in Mozambique

Reuters

**MAPUTO, Mozambique** — At least four people died and seven were injured when sugar workers demanding higher pay clashed with police at a plantation.

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# Many U.S. Catholic Priests Sexually Active, Study Says

**BOSTON** — Up to a third of the Roman Catholic priests in the United States are active sexually, either in heterosexual or homosexual relationships, and only 2 percent can be said to be truly celibate, according to a new study.

At any one time, 20 percent of those pledged to celibacy, a requirement for Catholic priests, "are involved in rather well-defined noncelibate relationships with a woman" or have a clear pattern of heterosexual behavior, according to the study, a 25-year project of a now retired Catholic priest.

As many as 23 percent "have to be identified as having a homosexual orientation," and half of that group are active sexually, said the study, which was presented during the weekend at the annual convention of the American Psychological Association.

"At any one time, 2 percent of vowed celibate clergy can be said to have achieved celibacy," the study said. It added that 6 percent of priests were sexually involved with children or minors, mostly boys.

Conducted from 1960 to 1985 and involving approximately 1,500 people, the study was compiled by A.W. Richard Sipe, a Catholic priest, psychotherapist and lecturer in family therapy at Johns Hopkins University.

## De Klerk Visits Madagascar

Reuters

**ANTANANARIVO, Madagascar** — President Frederik W. de Klerk of South Africa was to arrive Tuesday for an official visit as Madagascar and South Africa begin to restore economic ties, officials said.





From Arnold Scaasi, a pink shirtwaist dress with black-and-white bow prints.

## Practical: Key to Resort Fashions

By Bernadine Morris  
New York Times Service

**N**EW YORK — Though the approaches to resort collections change dramatically from designer to designer, a strong theme pervades them all: practicality.

"It is not a time for fashion statements," said Carolyn Roehm, who with other Seventh Avenue designers showed her new collection last week. The majority of the resort collections are divided among play and party fare, with a sprinkling of serious daytime garb.

Resort is the time to offer women "new styles that fit into their lives, to lift their spirits when they are getting bored with their fall clothes," said Roehm, in a definition that most designers would endorse.

Some collections are geared to women planning winter vacations, while others are meant to be worn at home. None offer any wild new fashion directions. Still, each designer uses the resort season as a chance to test new ideas for spring, summer and beyond.

For Roehm, long associated with skimpy, linear clothes, there are signs of a loosening of the silhouette, evident in floating tunics and gentle tentlike dresses and full-skirted chiffrons. "I'm actually getting a tiny bit tired of tight dresses," she said.

Practicality governs her choice of fabrics, mainly double-faced wools that are light as gauze and wrinkle-resistant, and colors, mainly navy "because it goes anywhere and if you travel you only have to take one pair of shoes," she said. Her clothes are getting "plainer and plainer," because that is the direction she believes fashion is traveling.

Curvy suits are the backbone of the Bill Blass collection of about 80 styles, almost twice as many as he usually produces for the resort season. Jackets slope in at the waist and arch over the hips, while skirts are gently rounded in this most feminine assortment.

Still, within this framework there are wide mood swings. Linen shorts, instead of skirts, add a kooky note to brocade jackets. Some suits are in sugary flower prints, others in raucous abstract patterns.

Graphic black-and-white stripes and dots are arresting in the curvy suits as well as in dresses, which include bouffant skirts as well as skinny strapless styles. Blass sees the narrow styles doubling as sun dresses and dinner clothes.

His evening wear focuses on long dresses with full skirts in colors strong enough to hold their own against tropical foliage. Parka-type jackets and cashmere sweaters keep the Blass franchise for evening clothes with a sporty feeling.

Louis dell'Olio divides his collection for Anne Klein into two parts, which he calls "Take Away" and "Wear Now." The first, for warm, sunny climates, consists mostly of white or navy cotton-knit styles that include shift dresses, shorts, sweaters and blazers. Open backs filled in with fishnet and fishnet T-shirts lend excitement to shifts and skirts.

The idea for the cotton-knit group came to dell'Olio when he vacationed in Antigua and "saw the attractive women were into T-shirt dressing," he said. The second part of the collection consists of classic separates in earth colors; these are clothes to wear to work.

Marc Jacobs has kept his resort styles for Perry Ellis as concise as possible. He uses three colors (red,

white and royal blue), two patterns (polka dots and awning stripes) and offers only about 20 styles.

"Everything goes with everything else," he said. "You can't make a mistake."

The pieces that work together include blazers, chemise dresses, sequined tops and big, patterned sweaters. A few carefully chosen pieces will cover a lot of fashion ground, from sports to evening.

Even in such a well thought-out assemblage, there is room for experimentation. For Jacobs it takes the form of a bouffant shirt dress in awning-striped silk. "I just love

dresses," he said. "I'll do more of them for spring."

The lyrical style of Stephen Burrow takes a simpler tack in his resort collection, if you can call colors like cerise and orange simple. However, he mixes fewer of these shocking shades in the same outfit than he used to. Some of his best styles are in solid black or solid white. His shapes are graceful and fluid, less chopped up than in the past.

His best new silhouette has a shapely long torso and a flounced hem dipping to the back like a fishtail. It appears in hot colors and

black. The best beach cover-up is a long slinky orange knit with a draped hood and sleeves long enough to cover the fingertips.

A shirtwaist dress in pink organza, printed all over with big black-and-white-striped bows, is an eye catcher among the glittery flower prints and bouffant ball gowns at Scaasi Boutique.

"It's refreshing, isn't it?" Arnold Scaasi said of the organza dress. The easy shape "gives a casual look to the dressy fabric," the designer said, and he is so fond of it he plans to show more shirtwaist dresses in his couture collection.

## Fall Footwear Is High-Rise

New York Times Service

**N**EW YORK — What do you wear with leggings, cat suits, ski pants or micro-miniskirts?

Boots. Or at the very least, shoes that look like boots. That's the big news in fall footwear.

"The same way clothing is getting closer to the body, footwear is more choked up around the ankle and the leg," said Bonnie Pressman of Barneys New York.

Stirrup pants and other skintight styles call for footwear that completely covers both foot and instep. And if the ankle is covered, so much the better. The idea is to match the color of the foot and the leg to achieve a long, lean look.

With miniskirts, the newest idea is to conceal the leg almost as far as the hemline, hiding the knees with boots that reach to the thighs. An expanse of bare leg is fine in the

summer, but wintry winds demand bundling up.

If all this sounds reminiscent of the 1960s, it is. But there are modern twists, like elastic inserts for a snug fit or lug soles for a super-sporty look. The adventurous will lace themselves into high-button shoes like great-grandma used to wear. And more rugged types will choose chukkas or desert boots with crepe soles or heavy lug soles. Fashion loves extremes.

### ACROSS

1 Destroys with a ray gun

5 — of angels

10 Sheet of stamps

14 — a man ...

15 Spiteful

16 Greek warrior

17 — deserves the fair

20 Common spice

21 Ireland, to a Gael

22 — Nevis, highest peak in Great Britain

### DOWN

23 Increases

25 — on the Keys

29 Pulitzer Prize cartoonist: 1967

33 Not windward

34 Ignited

35 Scrooge interjection

36 "Faint heart" (old saying quoted by Cervantes)

40 Make lace

41 Boleyn and Bancroft

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### STYLE MAKERS

Denise Wallace  
ALEUT JEWELRY

**S**ANTA FE, New Mexico — In her small workshop, Denise Wallace creates jewelry in silver, fossilized walrus ivory and colored stone, capturing Native Alaskan folklore and life.

"I think of myself as a storyteller," said Wallace, 32, an Aleut whose jewelry has been shown at the American Museum of Natural History in New York. "My grandmother used to tell me stories and today I remember them when I am planning and sketching a piece." Fishing and seal hunting are her themes. Her most imaginative creations are linked silver belts, her version of the Southwest concho belt.

She came to New Mexico 13 years ago to study at the Institute of American Indian Arts. Hidden treasure is her hallmark. A belt's figures are made with hinges that pull open to reveal a smaller piece that can be worn separately. She says the concept of a concealed being or message is compatible with Aleut and Eskimo tradition. Prices range from \$65 for earrings to \$30,000 for intricate belts.

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TUESDAY, AUGUST 14, 1990

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## INTERNATIONAL STOCKS

### Any Peace in the Markets Likely To Be Temporary

By Gary Seidman

**NEW YORK** — A fragile calm in the Middle East may lead to temporary peace in the world's financial markets, but buying by an oil-powered inflation/recession twoism is hardly over, according to economists and market analysts.

Since Iraq invaded Kuwait on Aug. 2, financial markets have been in turmoil, responding to the more than \$8 per barrel surge in oil prices since the move by Saddam Hussein.

Analysts say some degree of commotion will persist until investors are assured that oil exports lost from those countries can be substituted and that prices will not move still higher.

"For the time being, the markets are pinned to Middle East headlines," said one analyst. Any new conflict or even a cessation may lead to oil-price increases and further market instability.

Persistently higher oil prices have the doubly unfriendly tendency to boost inflation and slow or even halt growth — chiefly because consumers divert cash toward the gas pump and are left with less disposable income.

For that very reason, economists say, the markets are keenly aware that oil — a principal economic destabilizer of the 1970s — threatens to become the spoiler of an eight-year, unprecedented global economic expansion.

Last week, world markets reacted to that possibility. "For the U.S. economy, already limping along, the oil surge should be enough to push us into recession," said Joseph Liro, economist at S.G. Warburg & Co. "The magnitude will depend on how fast the Federal Reserve responds."

The U.S. central bank is widely expected to ease interest rates, pumping fresh cash into the economy. But economists said it is unclear at this juncture whether the Fed could outrun the recessionary impact of higher oil. If the markets deem that recession is imminent, deeper declines in bond and stock prices are likely in the United States.

**EASING** of monetary policy would ordinarily aid the U.S. Treasury market, but for much of the past 10 days, long-term market rates have moved higher in fear of inflation.

"What investor wants to hold long paper when things are so uncertain?" another analyst asked.

The shorter end of the market — a desirable sector, because investors are not saddled with a security for the long haul if their inflation fears come to pass — benefited from safe-haven buying. Investors too nervous about being in stocks have bought into short-maturity Treasuries. Analysts expect the pattern to continue on any new sign of Middle East trouble.

A war of wits continued over the weekend as Arab countries dispatched troops to help protect Saudi Arabia and the United States restated it would not permit Iraqi oil to leave port.

"The tension level increases with every new development and every new troop that arrives," said Robert White, a currency dealer with First Interstate Bank. But surprisingly, he said, the currency markets have remained fairly stable.

Analysts note that no "petrodollar" has emerged as in the 1970s and that the dollar has not assumed the safe-haven status. Dealers said the U.S. economy's weakness and the reduction of cold-war tensions that in the past may have made people hesitant to put money in West German marks reduce the dollar's safe-haven attraction.

What is more, said Mr. White, a reduction of U.S. interest rates could reduce demand even further in relation to higher yielding marks and yen. The Japanese, totally dependent on imported oil, are poised to raise their rates even higher to combat inflation. And a decline in U.S. rates could be inflationary by making imports more expensive to purchase.

## U.S. Agency Faces Bill for Iraq Exports

By Michael Quint

New York Times Service

**NEW YORK** — The freeze on Iraqi assets and financial dealings may prove costly to the U.S. government, which has guaranteed the payment of \$1.7 billion Iraq owes for the purchase of American farm products.

According to Commodity Credit Corp., an arm of the Department of Agriculture that guarantees payment for agricultural exports, foreign and American banks have begun to file notices of Iraq's failure to make payments.

Including interest, Iraq owes nearly \$2 billion, of which about \$1.8 billion would be covered by commodity credit guarantees.

A large portion of the money — roughly \$700 million — is owed to the Atlanta, Georgia, branch of Banca Nazionale del Lavoro, Italy's biggest bank. State-owned BNL sparked an international storm last summer when it disclosed

that the tiny branch had issued some \$3 billion in letters of credit to Iraq, allegedly without the authorization of the bank's head office in Rome.

A U.S. grand jury is investigating the loans. Iraq imports about three-quarters of its food and was the 10th-largest foreign customer for American agricultural products in 1989, buying about \$1 billion-worth of products from barley malt to yeast.

"Bank notices that they have not been paid according to schedule are starting to come in now," said Richard Godsey, chief of the credit sales registration branch of Commodity Credit.

Banks have 30 days after filing notices to assemble documents and make their claims. Such documents have not yet been submitted, "but it seems to be a foregone conclusion they will be," Mr. Godsey added.

Under the export-guarantee program, Iraq was not required to pay immediately. Instead, U.S. banks and American branches of foreign

banks would pay grain companies and other exporters, and then wait for repayment from an Iraqi bank that had issued a letter of credit.

The Iraqi bank, generally the government-owned Rafidain Bank of Baghdad, the nation's largest, does not have a good reputation in financial markets. But until recently it had met all payments on letters of credit for agricultural imports.

If Iraq does not pay the banks, the credit corporation is to pay for 98 percent of the exports' value, plus 4.5 percentage points, or roughly half of the interest being charged by the banks on the three-year credit agreements.

A higher interest rate equal to one-year Treasury bills is covered for exports with a 10-year repayment period.

The export guarantee program was started in the early 1980s to stimulate purchases of American agricultural products. Iraq had been active in the program.

## World Markets Buffeted by Gulf Tensions

By Lawrence Malkin

International Herald Tribune

**NEW YORK** — World financial markets reacted sharply but sensibly Monday to the tightening military squeeze in the Gulf and a companion squeeze on the world economy.

Analysts said slower growth and higher interest rates had been part of the world economic outlook for a month or more before higher oil prices reinforced it and markets were taking it in stride.

Wall Street stocks opened sharply lower but turned around in the afternoon to show a strong rally, with the Dow Jones industrial average closing 30.20 points higher at 2,746.78. U.S. stock trading was disrupted Tuesday by a power outage in lower Manhattan and dealers said the late rally occurred in very thin trading.

Oil prices maintained their upward momentum, with the key U.S. grade West Texas Intermediate gaining 43 cents to \$26.66. In European trading, North Sea Brent climbed \$1.05 to close at \$26.55 per barrel.

The worst stock market declines came on the Tokyo Stock Exchange, where prices plunged by 4.2 percent. In Europe, French and West German shares remained very weak, with the Paris Bourse tumbling by 3.3 percent and the Frankfurt market dropping 2.5 percent.

Shares also dropped in London, Zurich and Madrid and in other markets across the Continent.

Gold at last began to regain its role as a market magnet in crisis, and closed \$8.30 higher at \$405.20 on the New York Commodity Exchange.

Earlier in London, gold closed at a five-month high of \$404.75 an ounce. This represented a one-day rise of about \$1.2, a far cry from the wild swings and \$800 peak a decade ago when high oil prices and East-West tensions sent money streaming out of the Middle East.

The dollar continued its slide, easing to 1.5760 Deutsche marks in New York, down from 1.5910 on Friday, and to 150.38 yen, down from 150.45.

U.S. economic statistics due out later this week on sales, production and inflation are expected to keep the U.S. currency weak against the mark, although the yen is also expected to weaken.

See STOCKS, Page 10

## Meeting of OPEC Planned

Reuters

**WASHINGTON** — OPEC will meet soon to consider steps to minimize the impact of Middle East tension on international oil markets, the Saudi Ambassador to the United States said Monday.

The envoy, Prince Bandar bin Sultan, said at a news conference that consultations are under way among members of the Organization of Petroleum Exporting Countries on holding an early meeting.

He said Saudi Arabia hopes the meeting would "minimize the impact on the economies of friendly countries," but any decision on pricing or production would be a collective OPEC decision.

The envoy did not give a specific date for the next OPEC meeting and did not indicate where it might be held.

But he said Saudi Arabia, which has already increased oil output to offset in part the oil being embargoed from Iraq and Iraqi-occupied Kuwait, does not want the world economy to be hurt by the tension in the Gulf.

The prince's remarks came as a former OPEC secretary-general said the cartel is unlikely to survive the Gulf crisis in its present form.

Francisco Parra of Venezuela, in an article published by Petroleum Intelligence Weekly, said OPEC might even merge with the consumer oil watchdog, the International Energy Agency.

## Europe to Grow Despite Oil Woes

By Steven Prokesh

New York Times Service

**LONDON** — The higher oil prices that are likely to be the legacy of Iraq's aggression in the Middle East will slow but not stop the buoyant economies of Western Europe, economists say.

Before the current crisis, Western Europe seemed to have everything going for it. The 12-nation European Community's program to turn itself into a single market of 325 million consumers by the end of 1992 had sparked an investment boom. Higher spending generated by German reunification and the rebuilding of Eastern Europe promised to keep Western Europe's economy growing.

The expectation among economists and oil companies is that the price of oil will stabilize at \$23 to \$25 a barrel — provided President Saddam Hussein of Iraq decides not to challenge the American-led forces in Saudi Arabia and the Gulf.

While those prices are about one-third more than those of a few weeks ago, "oil prices would have to be a lot higher to put Europe into

a recession," said Peter Gutmann, an economist at National Westminster Bank, one of Britain's largest banks. Only a major disruption that sent prices beyond \$40 a barrel could bring European expansion to a standstill, he said.

But that analysis by no means suggests that Europe will feel no pain. Oil at \$23 to \$25 a barrel will reduce economic growth in Western Europe by as much as one-half percentage point over a year and will increase inflation by one-half to one percentage point, most economists agree. The effects of such changes would quickly become apparent.

Economists now expect the average inflation rate for Western Eu-

rope to edge up to 5.5 or 6 percent by year-end, from about 5 percent now. Economic growth is expected to be about 2.5 percent in 1991, compared with the previously expected growth of about 3 percent.

There are a number of reasons why the oil crisis will not be felt as severely as the oil shocks of the 1970s.

For one thing, this increase is not nearly as great as those in the past. Western Europe has also become much more energy efficient. "Oil consumption relative to economic growth is much less than it was," said William P. Ledward, an economist at Nomura Research Institute Ltd., the London-based research arm of the Japanese securities firm. That dependency has dropped by about 30 percent since 1980, he estimates.

Economists also think Western Europe is in better shape to weather higher oil prices because strong forces are behind its growth. These include the 1992 program and German reunification.

What happens to West Germany? See EUROPE, Page 11

## Kuwaiti Firm Bargains for Saudi Oil

New York Times Service

**LONDON** — Kuwait's overseas marketing and refining arm, which has extensive operations throughout Europe, is negotiating with Saudi Arabia to supply at least some of the 400,000 barrels a day of crude oil and refined products that it had been getting from Kuwait before the Iraqi invasion, the company said Monday.

London-based Kuwait Petroleum International PLC confirmed a published report that Nadar Sultan, the company's president, was

optimistic an agreement would be reached with the Saudis this week. The report also said that the Saudis and their allies in the Gulf Cooperation Council — Qatar, the United Arab Emirates and Oman — were "about to boost" their production to supply Kuwait Petroleum International.

In an interview, Ole Bjerregaard, public affairs manager of London-based Kuwait Petroleum International, said he could not confirm that negotiations were going on with anyone other than the Saudis.

He also stressed that the company did not know whether any supplies secured from the Saudis would come from existing Saudi production or added production.

The Saudis have been prepared to increase production by as much as two million barrels a day to help replace the four million barrels a day of exports from Kuwait and Iraq that have been lost because of the UN sanctions.

But there have been no signs that the Saudis have yet begun to increase production beyond their OPEC quota of 5.4 million barrels a day.

Kuwait Petroleum International has some 6,500 Q8 service stations throughout Western Europe and has three refineries, which have a total capacity of 230,000 barrels a day. Besides gasoline, the company also sells distillates and heavy fuel.

Its origins in Europe date back to 1963, when it purchased most of Gulf Oil Corp.'s operations in Western Europe. Since then, it has made a string of other acquisitions. Its most recent one was in June, when it bought most of Mobil Oil Corp.'s operations in Italy, including a refinery in Naples.

The company sells more than 400,000 barrels a day of petroleum products in Europe. It also has an operation in Thailand.

The London company's parent is Kuwait Petroleum Corp., which coordinates the activities of Kuwait's state-owned oil companies and the Kuwait Oil Tanker Corp.

All three are now being run from London.

Mr. Bjerregaard said the Kuwaiti See KUWAIT, Page 10

## SAS Defends Turf in U.S. Purchase

New York Times Service

**LONDON** — Jan Carlzon, president and chief executive of Scandinavian Airlines System, does not suffer from delusions of grandeur.

He would be the first to say that with the consolidation of the world airline industry, his carrier is too small, too costly and too limited by its tiny domestic market of Scandinavia to survive on its own.

That conviction goes a long way toward explaining Mr. Carlzon's sigh of relief last week when Frank A. Lorenzo decided to bow out as chairman and chief executive of Continental Airlines of the United States and sell his stake to SAS.

Since 1988, SAS had owned 9.9 percent of Continental, a carrier that dwarfs SAS in size. Last week's \$52 million deal will increase that holding to 16.8 percent of the equity and 18.4 percent of the voting stock, making SAS the largest shareholder of Continental.

Now Mr. Carlzon no longer has to worry about another foreign carrier buying a sizable stake in Continental and pushing SAS out of a partnership that has allowed it to increase significantly its North Atlantic business, which now accounts for about 10 to 15 percent of its revenue.

"Our whole system in the United States has been built on the cooperation with Continental," Lars Bergvall, SAS's executive vice president and chief operating officer, said in a phone interview from Stockholm.

"It's possible someone else would have come in who would not have been willing to have the same cooperation," he said, making it clear that the deal was a defensive move.

When SAS teamed up with Continental, it largely pulled out of Kennedy International Airport in New York and instead committed itself to fly to Newark International, the hub dominated by Continental.

Noting that it would have been hard to get back all the landing slots SAS gave up at Kennedy, Mr. Bergvall said: "We don't have much possibility of going back in full force."

Since 1987, Mr. Carlzon has forged alliances with nine airlines around the world and has taken equity stakes in several of them.

Besides Continental, the nine are Thai Airways International, Airlines of Britain Holdings, All Nippon Airways of Japan, Swissair, Linnair, Canadian International Airlines and Austrian Airlines.

By coordinating flight schedules and teaming up on things like marketing, check-in and baggage han-

dling with these airlines, Mr. Carlzon hopes to give SAS the global reach that he envisions it to be "one of five by '95."

By that he means one of the major European intercontinental carriers beside giants like British Airways, Air France and Lufthansa that survive the intensifying competition that deregulation is already unleashing in the European market.

It is too early to tell if the plan will work. Some analysts say it may prove difficult to keep so many partners happy.

But at least in the case of Continental, SAS executives say, things were going well.

The partnership allowed SAS to use Newark as a hub in the United States. Through the New Jersey airport, its passengers from Europe could fly on to some 50 other cities in America on Continental.

The hub also allowed it to woo European passengers of Continental.

The result was a nearly 50 percent increase in transfer traffic — some 100,000 passengers — in the first full year of cooperation.

The North Atlantic business accounts for 10 to 15 percent of SAS's revenues, Mr. Bergvall said, adding that it has not been profitable this year because of a depressed market and fare competition.

SAS now plans to expand its cooperation with Continental to airports in Chicago, Seattle and Los Angeles, where the two carriers will coordinate flight schedules and share services like baggage handling and check-in.

The two carriers may team up in Tokyo, too, Mr. Bergvall said.

One question all along has been whether Mr. Carlzon made the right choice in teaming up with Continental.

Mr. Lorenzo's stormy 18 years at the helm have been ones of labor unrest as he tried to break unions and slashed workers' pay.

Continental was also plagued by an uneven service record.

By contrast, Mr. Carlzon, who has led SAS for nine years, has transformed it from a money loser into a solid money maker by having it compete on the basis of top-notch service and punctuality, not price.

Last year, the airline earned \$165.9 million on revenue of \$3.32 billion.

Including its hotels and other operations, SAS earned \$356.7 million before taxes and extraordinary items on revenues of \$4.76 billion.

To achieve high-quality service, Mr. Carlzon cheered on the troops and started training programs that forged employees into a highly motivated team.

## CURRENCY RATES

Currency	Per \$	Aug. 13
Australian dollar	1.76	1.76
British pound	1.58	1.58
Canadian dollar	1.25	1.25
Deutsche mark	1.75	1.75
French franc	6.55	6.55
Italian lira	1,375	1,375
Japanese yen	160	160
Swiss franc	1.48	1.48
U.S. dollar	1.00	1.00

Currency	Per \$	Aug. 13
Argentine peso	2,000	2,000
Brazilian cruzeiro	1,000	1,000
Colombian peso	1,000	1,000
Costa Rican colón	1,000	1,000
Czech koruna	1,000	1,000
Danish krone	1,000	1,000
East German mark	1,000	1,000
West German mark	1,000	1,000
Spanish peseta	1,000	1,000
South African rand	1,000	1,000
South Korean won	1,000	1,000
Taiwan dollar	1,000	1,000
Thai baht	1,000	1,000
Yugoslav dinar	1,000	1,000

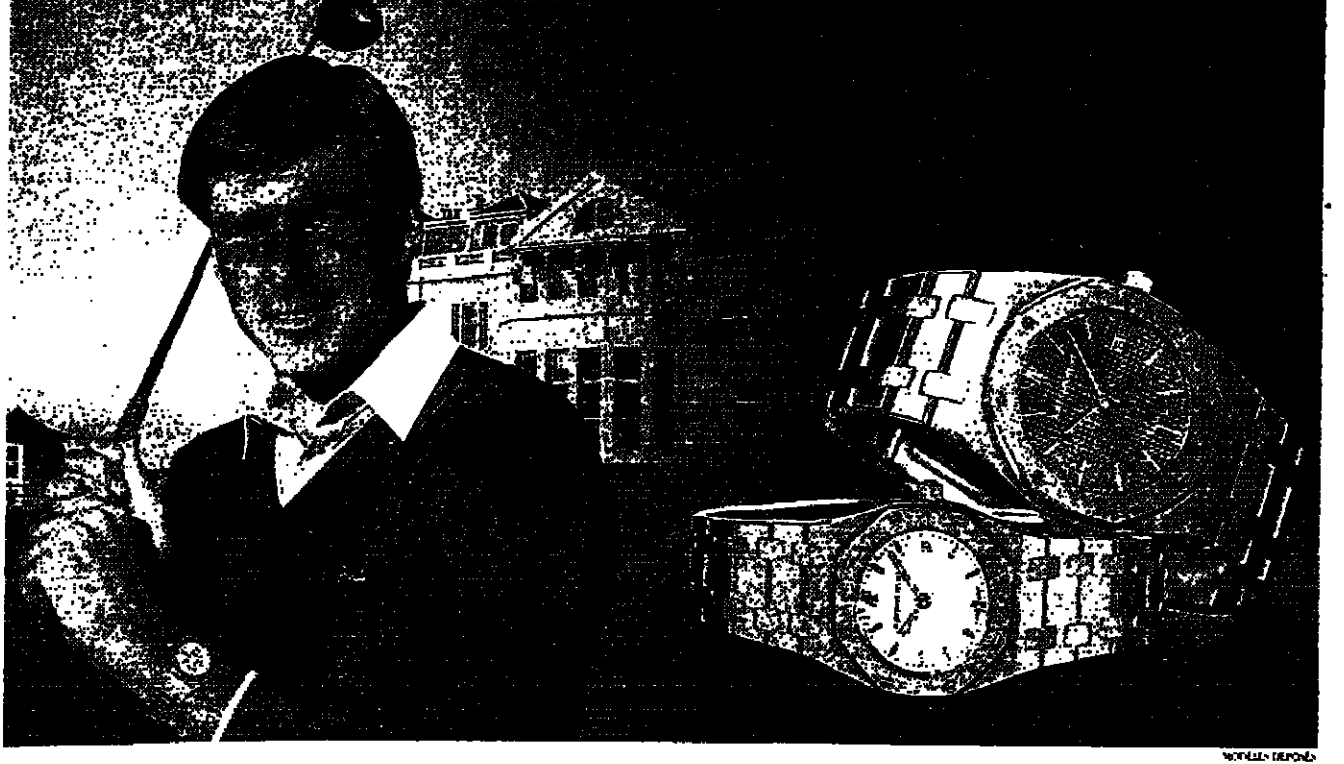
## INTEREST RATES

Currency	Rate	Aug. 13
1-month	7.00%	7.00%
3-month	7.00%	7.00%
6-month	7.00%	7.00%
1-year	7.00%	7.00%

Currency	Rate	Aug. 13
1-month	7.00%	7.00%
3-month	7.00%	7.00%
6-month	7.00%	7.00%
1-year	7.00%	7.00%

Currency	Rate	Aug. 13
1-month	7.00%	7.00%
3-month	7.00%	7.00%
6-month	7.00%	7.00%
1-year	7.00%	7.00%

Currency	Rate	Aug. 13
1-month	7.00%	7.00%
3-month	7.00%	7.00%
6-month	7.00%	7.00%
1-year	7.00%	7.00%



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## Tunnel Financing In Doubt

Some Banks Balk At Loan Request

Agence France-Press  
LONDON — Eurotunnel PLC, the French-British consortium building the Channel tunnel between England and France, said Monday that it was having serious difficulties in raising £2 billion (\$3.74 billion) needed to complete the project.

The financing is due to be completed in August, but so far only £1.1 billion has been raised, the consortium said.

Eurotunnel informed the British and French stock-market authorities on Monday that completion of the financing package might have to be postponed until September.

Of 210 banks involved in negotiations, 93, representing 31 percent of loan financing for the project, have so far declined to participate and 26 banks covering 11 percent have not even replied to the request for additional funds.

If the money is not raised by the beginning of September, a £500 million rights issue planned for October would be delayed, the consortium said.

The Eurotunnel chairman, André Bédard, said that the consortium would have to ask for amendments to the conditions of the original loan if financing for the new borrowing were delayed.

"Although the progress of banks in the syndicate has not been as fast as we had hoped during the annual holiday period, they are doing all in their power to enable us to go ahead with the rights issue in October," he said.

## Niles: Coping With Collapse

By Richard E. Smith

International Herald Tribune

BERLIN — Only six weeks after German monetary union, the chief of a East German machine tool company is facing challenges a Western manager could barely imagine.

"The payments system in East Germany is collapsing," said Peter Klopsch, chief of East Berlin's Niles GmbH, the former Kombinat October 7 that has about 1,800 employees.

For the month of July, his East German customers alone owed him 3.4 million Deutsche marks (\$2.1 million). He was able to collect only 17,000 DM, leaving more than 99 percent unpaid and making the company grateful that most of its business is with reliable Western clients.

"Most East German companies have no money to pay anything but salaries and there is nothing left to pay for deliveries," Mr. Klopsch said.

While the payments collapse is devastating the bottom line for many East German firms, they are also finding themselves dealing with much of the social fallout of the collapse of the Communist system.

Since most East German firms were until recently classed as Volkseigene Betriebe, or "firms owned by the people," they often had a broad array of responsibilities for their workers in areas such as health care and education which had nothing to do with their core business.

With the East German government dissolving and the West German government not yet willing or able to fully fill the vacuum, East German companies are being left with many social costs at precisely the time they can least afford it.

"We have run a kindergarten for 100 children for a long time even though it costs us 800,000 DM a year and at the moment none of our own workers are even using it,"

said Mr. Klopsch. "We've told the local authorities that we will pay for a few more weeks but that we simply can't keep doing this."

At the same time, he said that it was difficult to cut funding because the local government has no money at all and the school, long associated with Niles, might have to close.

He noted that the chief of a company in a similar situation closed two kindergartens recently and was fined 3,000 DM by the local government.

Since his Western competitors do not have to deal with even remotely similar problems, Mr. Klopsch does not disguise his resentment that many West German companies in much less desperate circumstances get regular subsidies from Bonn.

"Many of the problems of reunification were to be expected but, if anything is surprising, it is that we were thrown right away so completely into a pure market economy while Bonn has long given many kinds of subsidies to West German companies," he said.

"A company in East Berlin is at a significant disadvantage to one in West Berlin," Mr. Klopsch noted, claiming that in-house calculations showed a 20 percent competitive edge for West Berlin firms as a result of investment incentives, write-offs and other benefits traditionally offered by Bonn for companies that set up shop in West Berlin.

Mr. Klopsch expects that his company's first balance sheet, which is likely to appear next month, will show red figures, but he is confident that Niles will be profitable by the end of the year.

Such a performance would be impressive by East German standards, but Niles is fortunate in several respects. There are no threatening Western claims on its real estate, and roughly one-third of the work force was shed before union agreements were reached that would have made this more difficult.

Niles' greatest advantage, however, is that it currently exports about 70 percent of its production to the West, already up from a traditional share of 60 percent earlier this year.

The share has risen in part because orders from Eastern Europe for Niles, the second most important market for Niles, have had to be canceled either by Niles or the customer, since most of Eastern Europe is running so low on hard currency. East German companies, now operating in Deutsche marks, are under special pressure to demand hard currency as payment for their goods.

The Soviet Union canceled most of its orders with Niles several months ago and Romania in the last few weeks had to cancel virtually all trade in machine tools with East Germany. A large machine worth more than one million DM was finished on schedule in July for delivery to Romania, but is still sitting in the warehouse.

In the meantime, Niles has not yet lost any customers in the West and Western banks have taken notice. Deutsche Bank, West Germany's largest commercial bank, came to Niles and has offered both short-term liquidity help as well as possibly a longer-term credit line for 1991 and 1992, Mr. Klopsch said.

But more than a dozen other West German and foreign banks, including Citibank, have come knocking on his door.

So far, Western banks have had to rely on instinct in judging the survival chances of East German firms, since hardly any give it balance sheets and in any case lack any past contacts or experience with Western banks.

## Polly Peck Shares Soar on Bid Report

Reuters

LONDON — Shares in Polly Peck International PLC soared by more than 7 percent on Monday in reaction to news that the company's chairman, Asil Nadir, may launch a full bid for the concern.

Shares in the company, whose interests range from fruit to electronics and leisure businesses, climbed 24 pence to close at 415 pence (\$7.77) on the London Stock Exchange.

Mr. Nadir did not explain his reasons for a possible bid but analysts said the Cyprus-born businessman — who owns 26 percent of Polly Peck — feels the market undervalues the company.

They added that the crisis in the Middle East had hurt Polly Peck shares because of the company's exposure to Turkey and the Middle East, which account for about 35 percent of its sales.

Analysts said a bid would probably be between 470 pence and 500 pence a share.

Polly Peck has a market value of £1.65 billion based on Friday's closing price of 395 pence per share on the London Stock Exchange.

The offer would probably be around 500 pence a share — valuing the group at £2.2 billion, said Campbell Watson, food analyst at Robert Fleming & Co. Mr. Watson said Mr. Nadir will want to pitch the offer at a level which does not look desultory.

Some analysts added that the company's real value is well above 500 pence per share.

Barclays de Zoete Wedd, the merchant banking arm of Barclays Bank, has estimated, for example, that Polly Peck could be worth £2.9 billion, which would give it a value of 687 pence a share. The stock has not risen above the 462-pence level this year, however.

Analysts said the possibility of a buyout should be taken seriously, although one analyst noted that "some people might see it as an attempt to talk the share price up."

Polly Peck bought Del Monte's fresh fruit operations in Europe last September in a \$1.4 billion deal that made it one of the world's biggest fruit distributors.

The company reported pretax profit of £161 million last year.

If Mr. Nadir's bid is successful, he will join a list of British business leaders who have taken their companies private recently, including the Virgin Group Ltd. chairman Richard Branson and the composer Andrew Lloyd Webber.

Polly Peck said that Mr. Nadir would not take part in major group decisions pending clarification of his move, and that the publication of the group's interim results was being brought forward from Sept. 26 to Sept. 6.

## Investor's Europe

Frankfurt Commerzbank	London F.T. 100 Index	Paris C.A.C. 40
2500	2450	2200
2400	2350	2100
2300	2250	2000
2200	2150	1900
2100	2050	1800
2000	1950	1700
1900	1850	1600
1800	1750	1500
1700	1650	1400
1600	1550	1300
1500	1450	1200
1400	1350	1100
1300	1250	1000
1200	1150	900
1100	1050	800
1000	950	700
900	850	600
800	750	500
700	650	400
600	550	300
500	450	200
400	350	100
300	250	0
200	150	0
100	50	0
0	0	0

Sources: Reuters, AFP

## French Companies Lift Sales in Half

Reuters

PARIS — Nine of France's largest companies reported higher sales for the first half of the year on Monday in the official bulletin, BALO. One other posted a sales decline.

The largest, Peugeot SA, the automobile maker, said that consolidated sales increased to 85.73 billion francs (\$15.97 billion), from 81.06 billion francs.

The company's Automobiles Peugeot subsidiary reported sales of 78.81 billion francs, up from 72.90 billion francs, while its Automobiles Citroën unit reported that sales rose to 25.78 billion francs from 24.98 billion francs.

Compagnie Générale d'Électricité said that its consolidated sales edged up to 68.55 billion francs from 67.17 billion francs.

State-controlled Thomson SA, the electronics group, said that its revenue advanced to 34.65 billion francs from 33.84 billion francs, although the company warned that sales, acquisitions and shifting exchange rates meant the figures were not strictly comparable. On a comparable basis, revenue in first half 1990 was approximately the same as in the same period last year.

Thomson-CSF, the defense electronics unit of Thomson SA, said that consolidated sales increased to 17.35 billion francs from 14.77 billion francs. It said sales and acquisitions meant the figures were not strictly comparable. Based on comparable operations, revenue in the first half of 1990 was approximately the same as in the same period last year.

Boatyard SA, the big construction group, said that consolidated revenue rose to 25.97 billion francs from 22.61 billion francs.

Sugar maker Beghin-Say SA said that its consolidated sales rose to 19.04 billion francs from 18.75 billion francs.

BP France, a subsidiary of British Petroleum Co., was the only company to report a decline in sales for the period. The oil company said that its consolidated sales eased to 13.44 billion francs from 14.21 billion in the year-earlier period.

Lyonnaise des Eaux, the French water utility, said that its sales had jumped more than 10 percent, to 11.45 billion francs from 10.02 billion francs in the first half of 1989.

The hotel group Accor SA, which last month announced the buyout of the Motel 6 chain of hotels in the United States, said that its consolidated sales increased in the half to 10.85 billion francs from 9.53 billion a year earlier.

The luxury-goods group, LVMH Moët Hennessy-Louis Vuitton SA, announced that its consolidated revenue edged up 2 percent to 8.82 billion francs from 8.63 billion francs.

On the basis of constant exchange rates, consolidated sales would have risen by 13 percent, the company said. It explained that sales in franc terms rose by less because of the effect of the 11 percent drop in the average dollar rate and the 22 percent plunge in the average yen rate during the first half of the year by comparison with the first six months last year.

The group added that for the year as a whole, it expects a rise of more than 15 percent in its net result, as Chairman Bernard Arnault had indicated last June at the stockholders' annual meeting. It noted that "the foreign currency impact on the net result is much more limited than on sales, particularly in view of the group's policy of hedging exchange risks."

## De Beers Says Pact Valid

LUCERNE, Switzerland — The Swiss affiliate of South Africa's De Beers Consolidated Mines Ltd. said Monday that a contract still exists to lend the Soviet Union \$1 billion in exchange for diamond marketing rights, despite the news that the Russian Federation had declared it void.

"As far as we are concerned, we entered into a valid contract with the duly constituted authorities," said Terence Davidson, a spokesman for De Beers Centenary AG.

Tass reported that the Russian Federation annulled agreements reached without its consent on the export of natural resources, in an attempt to block the accord reached last month under which the Soviet government granted De Beers Centenary AG exclusive rights to market the nation's entire diamond production.

## Saab Reports Stagnant Sales

STOCKHOLM — Saab Automobile AB said Monday that car sales for 1990 would be stagnant at best and market showing so far would have an impact on earnings.

"In calendar 1989 Saab sold 89,500 cars," said the Saab Automobile president, David Herman. In 1990, he said, "we will be happy if we can reach the same level."

He said that attaining this goal might be difficult, especially considering that the largest markets, Sweden and Finland, are showing decreases in sales.

Saab Automobile is jointly owned by Saab-Scania AB and General Motors Corp. It was formed last December when GM bought 50 percent of Saab-Scania's sibling car division.

Mr. Herman said Saab Automobile had sold 33,000 cars in Norway, Sweden and Finland during 1989, accounting for about one-third of the total.

So far this year, those countries represented 26 percent of the total. He added that sales for the model year 1991, which begins in September, could improve significantly above the projections for model year 1990, in which Saab expects to sell 101,000 cars.

Mr. Herman said the company had set its sights on new markets, and expects to sell more than 110,000 cars in calendar 1991.

Saab Automobile hopes to double its car sales in France and West Germany in four years by opening new agencies with GM dealers.

The moves are part of a Saab Automobile marketing strategy to decrease dependence on U.S. and Scandinavian markets.

## Statoil Expects Its Output to Rise

OSLO — Norway's state oil firm, Den Norske Stats Oljeselskap A/S, or Statoil, said Monday that it expected its oil production to increase in the second half of this year with a possible rise in profit if prices for crude oil stay high.

"With a crude oil price level of \$20 to \$23 per barrel, the result for the second half is expected to be in line with or somewhat better than in the first half 1990," Statoil said.

It added that prices for the next six months would be uncertain due to the situation in the Gulf. In first half 1990, when Brent Blend averaged \$17.90, it made a 5.52 billion kroner (\$896.1 million) profit before extraordinary items, nearly double the year-earlier 2.79 billion kroner.

Full-year 1989 profit before extraordinary items was 8.2 billion kroner. "We expect somewhat higher oil production in the second half than in the first half 1990," Statoil said, giving no figures.

Fields operated by Statoil make up around one million barrels per day of Norway's total oil production, which is normally around 1.7 million barrels.

A spokesman for Statoil, Arild Steine, said output in the second half would increase on the company's Gullfaks field and Norsk Hydro A/S's Oseberg field, in which Statoil has a 14 percent stake.

Statoil also has a 20 percent share in Gyda, which came on stream in June and aims for full output of 69,000 barrels a day in September. Its Veslefrikk field, on stream in January, has gradually increased production to around 60,000 barrels.

"Statoil's strong result improvement in the first half is mainly due to improved cost efficiency, higher oil production and reduced finance cost compared with the same period last year," Statoil said.

It said the exploration and production division and the gas and refinery division, as well as marketing, had shown stronger results in the first half, while petrochemicals was somewhat weaker than a year earlier.

In addition, labor markets are not as tight as they were in 1973 and 1979 in many countries, making it less likely that higher oil prices will set off a wage-price spiral as they did in the past.

While Western Europe as a whole is in good shape to weather the higher oil prices, the effect will vary from country to country.

The impact will be somewhat less in France, for example, which gets a relatively large portion of its electricity from nuclear power plants. Italy is more vulnerable because its power plants burn more oil. Energy-producing countries like Norway, Denmark and the Netherlands will be even better off, said Mr. Ledward of Nomura.

## PRICES: Defusing the Oil Shock

(Continued from page 1)

Washington and London went overboard and pushed their economies into painful recession.

France and Italy are most often cited for having not done enough. After the 1973 oil shock caused price rises throughout the economy, Paris and Rome allowed wages to climb to keep workers from losing purchasing power.

The right approach is to contain the inflationary effects of oil-price hikes," said Allen Sinai, an economic adviser to Boston Co. "That means a one-time and substantial loss of purchasing power for workers."

Japan, which was battered by the 1973 oil shock, won praise later for the way it handled the 1979 shortage.

To prevent inflation waves from spreading through the economy, Tokyo pushed for wage restraint and held down monetary supply. It escaped with a manageable rise in inflation and a modest slowdown in growth.

World oil demand is climbing only 2 percent a year, compared with 5 percent in 1979.

Many economists and petroleum experts predict that oil prices will stay in the \$22 to \$28 range over the next few months, assuming that other producers make up for much of the Iraqi and Kuwaiti oil, as they have promised to do, and assuming that the Gulf crisis does not step up.

Although most economists say the industrial world is less vulnerable to oil shocks, the recent price increase is expected to help push the already weak U.S. economy into recession.

"A 35 increase will bring the U.S. very close to a recession if not into a brief recession," said Roger Brinner, chief economist for DRI, an economic consulting company.

The International Energy Agency, a Paris-based group of oil-importing nations, has coordinated the West's efforts to react. Mr. Stanislaw says the industrial world could cut demand by 700,000 barrels a day simply by having dual-energy plants switch to coal or natural gas.

The 1973 Arab oil embargo caused Mideast oil prices to rise from \$2.10 a barrel to \$10.40. The 1979 shock pushed the price of Mideast light to \$31.33 by late 1980, from \$13.48 in early 1979. So far, the Iraqi invasion has caused a far lower percentage jump. Prices have risen to about \$25 a barrel from \$17.

After accounting for inflation, oil at \$25 a barrel is actually cheaper than oil was in 1978.

In 1973, the United States used 0.35 of a ton of oil for each \$1,000 of economic output, compared with 0.24 in 1989, a drop of 31 percent. The change is even greater in Japan, which dropped to 0.15 of a ton last year from 0.33 in 1973, a reduction of 55 percent.

One factor is conservation. Mileage per gallon for automobiles has, on average, doubled since 1973, and many countries have raised gasoline taxes.

In Italy, taxes represent 75 percent of the price, up from 61 percent in 1980, while in the United States, taxes represent 30 percent, up from 11 percent in 1980.

Reliance on oil has also been reduced because France and Japan have invested heavily in nuclear power while the United States has looked increasingly to coal.

The economies of many countries have moved away from energy-intensive industries like metal-urgy toward less energy-intensive fields like electronics and finance. As a result of such developments, in France about 70 percent of the energy came from oil in 1973, while now it is 40 percent.

## Lafayette Links Transfer Of 10% Stake to Brierley

Reuters

PARIS — The New Zealand businessman Sir Ron Brierley is likely to have been the seller of the 10.3 percent of Galeries Lafayette stock that changed hands last week, the Galeries Lafayette general secretary Pierre Xavier said Monday.

"Technically, if the course rules have been observed, the seller was Sir Ron," said Mr. Xavier, after revealing that 60 percent of the retailing company were not sellers of the stake.

"We don't know who the seller was. But it wasn't the families," Mr. Xavier said.

Of the 38 percent of the company in public hands, only Sir Ron has disclosed a large stake to the house authorities and so was presumably the seller, Mr. Xavier said.

Sir Ron's stake was 12.3 percent, the company said, while the Meyer, Moulin and Heilbronn families held about 60 percent of Galeries Lafayette's capital and 77 percent of its voting rights.

## U.S. \$500,000,000

### National Westminster Bank PLC

(Incorporated in England with limited liability)

#### Primary Capital FRNs (Series "B")

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from August 14, 1990 to February 14, 1991 the Notes will carry an interest rate of 8 1/4% per annum. The interest payable on the relevant interest payment date, February 14, 1991 against Coupon No. 12 will be U.S. \$4,184.72 and U.S. \$4,184.47 respectively for Notes in denominations of U.S. \$100,000 and U.S. \$1,000,000.

By: The Chase Manhattan Bank, N.A.  
London, Agent Bank

August 14, 1990

## OPPORTUNITIES

Siège social:

20, boulevard Emmanuel Servais

R.C.S. Luxembourg B-24662

Messieurs les actionnaires sont convoqués par présent avis à

L'ASSEMBLEE GENERALE EXTRAORDINAIRE

DES ACTIONNAIRES

qui se tiendra au siège social à Luxembourg le 21 septembre 1990 à 11 h 30. Cette Assemblée délibère valablement sur le même ordre du jour que l'Assemblée Générale Extraordinaire du 8 Août 1990, cette dernière n'ayant pu réunir le quorum requis par l'article 67-1 de la loi du 15 Août 1915 sur les sociétés commerciales.

#### ORDRE DU JOUR

Modification des articles 1 à 28 des statuts de la Société et suppression des articles 29 et 30 aux statuts de la Société, conformément à la loi du 30 mars 1988 relative aux organismes de placement collectif et adoption de la version coordonnée des statuts.

Le libellé de l'article 3 s'annonce comme suit:

"L'objet exclusif de la Société est le placement de ses fonds disponibles principalement en valeurs mobilières variées et de divers pays d'Europe, des deux Amériques, d'Asie, d'Océanie ou d'Afrique, sans limitation dans le but de répartir les risques d'investissement et de faire bénéficier ses actionnaires des résultats de la gestion de ses actifs. La Société peut prendre toutes mesures et faire toutes opérations qu'elle jugera utiles à l'accomplissement ou au développement de son objet dans tout ce qui est permis par la loi du 30 mars 1988 concernant les organismes de placement collectif."

La version coordonnée des statuts comprenant ces changements est à la disposition du public au siège social de la société.

Cette Assemblée Générale Extraordinaire délibère valablement sur les mêmes points à l'ordre du jour que la première assemblée, quelle que soit la portion du capital représentée, conformément aux dispositions de l'article 67-1 de la loi du 10 Août 1915 sur les sociétés commerciales.

Les résolutions sont prises à la majorité des deux tiers des voix des actionnaires ou représentants.

Pour la Société,

Banque de Gestion  
Edmond de Rothchild Luxembourg  
Société Anonyme  
20, bd Emmanuel Servais  
L-2535 Luxembourg

## NYSE

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. See The Associated Press

(Continued)

Stock	Div	Yld	P/E	High	Low	Prior	Chg
IBM	3.12	5.8	13.1	125 1/8	124 3/4	124 3/4	+1/8
AT&T	2.75	5.2	15.4	34 1/2	34 1/4	34 1/4	+1/8
GE	1.10	5.1	15.7	28 1/2	28 1/4	28 1/4	+1/8
Westing	1.00	4.8	16.7	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	4.7	17.0	21 1/2	21 1/4	21 1/4	+1/8
Rockwell	1.00	4.6	17.4	21 1/2	21 1/4	21 1/4	+1/8
Northrop	1.00	4.5	17.8	21 1/2	21 1/4	21 1/4	+1/8
Lockheed	1.00	4.4	18.2	21 1/2	21 1/4	21 1/4	+1/8
McDonnell	1.00	4.3	18.6	21 1/2	21 1/4	21 1/4	+1/8
General	1.00	4.2	19.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	4.1	19.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	4.0	19.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	3.9	20.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	3.8	20.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	3.7	21.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	3.6	21.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	3.5	21.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	3.4	22.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	3.3	22.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	3.2	23.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	3.1	23.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	3.0	23.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	2.9	24.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	2.8	24.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	2.7	25.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	2.6	25.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	2.5	25.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	2.4	26.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	2.3	26.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	2.2	27.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	2.1	27.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	2.0	27.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	1.9	28.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	1.8	28.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	1.7	29.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	1.6	29.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	1.5	29.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	1.4	30.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	1.3	30.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	1.2	31.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	1.1	31.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	1.0	31.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.9	32.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.8	32.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.7	33.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.6	33.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.5	33.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.4	34.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.3	34.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.2	35.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.1	35.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	35.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	36.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	36.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	37.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	37.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	37.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	38.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	38.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	39.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	39.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	39.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	40.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	40.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	41.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	41.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	41.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	42.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	42.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	43.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	43.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	43.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	44.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	44.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	45.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	45.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	45.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	46.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	46.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	47.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	47.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	47.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	48.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	48.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	49.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	49.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	49.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	50.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	50.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	51.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	51.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	51.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	52.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	52.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	53.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	53.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	53.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	54.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	54.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	55.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	55.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	55.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	56.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	56.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	57.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	57.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	57.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	58.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	58.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	59.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	59.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	59.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	60.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	60.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	61.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	61.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	61.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	62.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	62.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	63.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	63.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	63.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	64.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	64.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	65.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	65.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	65.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	66.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	66.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	67.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	67.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	67.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	68.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	68.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	69.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	69.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	69.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	70.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	70.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	71.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	71.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	71.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	72.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	72.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	73.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	73.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	73.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	74.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	74.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	75.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	75.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	75.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	76.2	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	76.6	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	77.0	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	77.4	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	77.8	21 1/2	21 1/4	21 1/4	+1/8
Boeing	1.00	0.0	78.2	21 1/2	21 1/4	21 1/4	+1/8



# AMEX

**Monday's Closing**  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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1 - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.  
 2 - same variety high.  
 3 - trading below high.  
 4 - in company of nearness or being recognized under the Securities Act, or securities covered by such act.  
 w - when distributed.  
 w - when issued.  
 w - with warrants.  
 x - ex-dividend or ex-rights.  
 n - no stock warrants.  
 n - without warrants.  
 y - ex-dividend and sales in full.  
 y - yield.  
 z - sales in full.



## Malaysia Said to Plan To Privatize Carmaker

Agence France-Press

KUALA LUMPUR — Prime Minister Mahathir Mohamad said the state-owned automaker, Perodua, would be sold to private hands.

Mr. Mahathir said that Malaysia would be offered shares in the company in recognition of their support that has made the Perodua the best-selling car in the country since 1985.

He said the company would be listed on the Kuala Lumpur Stock Exchange "as soon as we get all the paperwork done." The prime minister was speaking at the launching of Perodua's 12-valve engine model on Sunday.

Perodua is 70 percent owned by Heavy Industries Corp. of Malaysia, set up by the government to lead an industrialization program.

The company reported profit of 159 million ringgit (\$38.9 million) on sales of 1.4 billion ringgit in the year ended March 31.

This compares with profit of 32 million ringgit and sales of 820 million ringgit the previous financial year, the first in which the carmaker posted a profit.

Proton cars account for 63 percent of domestic car sales and more than 13,000 units have been exported to Britain, its biggest foreign market.

## Tokyo Seeks Foreign Funds

Reuters

TOKYO — Japan's Ministry of International Trade and Industry wants to double spending on promotion of domestic direct investment by foreign companies in the year that ends next March 31, according to a MITI official.

The ministry hopes to boost funds to promote foreign direct investment in Japan to around 30 billion yen (\$200 million) in fiscal 1991-92, compared with about 15 billion yen in the current year, the official said.

The funds are funneled through the government's Japan Development Bank.

The ministry will formally propose the spending increase to the Finance Ministry this month, the official added.

The move is in line with a pledge by Tokyo during bilateral trade

talks with Washington to give foreign companies easier access to Japan, the official said in a telephone interview.

The Japan Development Bank currently offers low-interest yen

The move is part of an effort to ease access to Japanese markets.

loans to companies that are owned 50 percent or more by foreigners, to help cover plant and equipment costs.

Starting in fiscal 1991-92, the ministry plans to extend the loans to help foreign companies cover

costs of leasing office space and land in major Japanese cities where real estate prices are high, the MITI official said.

MITI will also put more emphasis on attracting direct investment through the Japan External Trade Organization, a semi-official trade promotion body, the official said.

The ministry plans to send investment promotion missions to the European Community and will hold a series of seminars for foreign firms on investing in Japan later this year, he said.

During the fiscal year ended March 31, 1990, Japan's direct investment abroad totaled \$67.5 billion, while foreign investment in Japan was only \$2.86 billion, according to Finance Ministry statistics.

## Japan Bank Ratings Cut by Moody's

Agence France-Press

TOKYO — Moody's Investors Service Inc., the U.S. credit-rating agency, said Monday it had cut ratings for Dai-ichi Kangyo Bank Ltd. and Fuji Bank Ltd., citing low profits and excessive lending to the real-estate sector.

The downgrading of the world's biggest and fourth-biggest banks — along with five subsidiaries in Hong Kong, Australia and the Netherlands — affects some \$3.5 billion in debt, Moody's Tokyo office said.

Moody's cut its long-term ratings for both banks from AAA to AA-1. Short-term ratings were left unchanged.

The agency said that the profit outlook for Dai-ichi Kangyo, which has an estimated \$1.5 billion in long-term debt, had weakened because of the bank's high overheads and its slow pace in adapting to changing market conditions.

"These factors make DKB somewhat more vulnerable to an earnings squeeze when rising interest rates narrow the bank's margins or as changes accelerate in the financial environment," Moody's said.

Moody's added that DKB's exposure to the real-estate sector was "relatively high" compared to other commercial banks.

"Until recently, the bank had been rapidly expanding its real-estate related lending, and therefore DKB's risk level is judged to be somewhat higher than that of its peers," Moody's said.

The weak outlook for Fuji, which has \$2 billion in long-term debt, also reflected high overheads, although the aggressive expansion of its branch network in an over-banked domestic market was another factor.

"Fuji retains one of the highest exposures to the real-estate and finance-company sectors," Moody's said.

## Philippine Trade Gap Expanded 62% in Half

Compiled by Our Staff From Dispatches

MANILA — The Philippines' trade deficit grew 62 percent to \$1.87 billion in the first half of the year as imports continued to outpace exports to support a growing economy, the National Statistics Office said on Monday.

The figure came as a local newspaper reported that the country's annual inflation rate could rise to 15 percent this year because of domestic problems and the Gulf crisis.

The 1990 six-month trade deficit compared with a gap of \$1.15 billion in the year-earlier period and

was up from a \$1.59 billion deficit from January to May, the Statistics Office said.

Imports during the period rose 17.5 percent to \$5.77 billion compared with \$4.91 billion a year earlier. Exports grew by 3.7 percent to \$3.90 billion, it said.

In June alone, exports amounted to \$538 million, \$21 million lower than a year earlier. Imports totaled \$921 million, compared with \$870 million a year earlier, the office said.

It said leading exports in June were garments — accounting for 24 percent of export receipts in the month — electronics and coconut oil.

After polling government and private economists, the Business Star daily said the country's inflation rate, which is currently approaching 13 percent, was forecast to reach 17 to 19 percent in the second half of the year.

President Corason C. Aquino's government, which recently launched a new economic package, had hoped to bring inflation below 10 percent by the end of the year.

The Philippines imports most of its oil from the Middle East, where an estimated half-million Filipino workers send home \$1 to \$2 billion a year.

## India Official Denies Facing Credit Crunch

The Associated Press

NEW DELHI — India's top finance official says his country can repay all foreign loans it takes, and denied facing a credit crunch.

But according to international experts, commercial banks are having misgivings about lending to India and borrowing will get harder as its oil bills multiply.

"There has been no scrambling for loans," said Finance Secretary Bimal Jalan in an interview.

Mr. Jalan said he was worried about reports that India's credit was in danger with commercial banks, which he said could prove a self-fulfilling prophecy.

"We have a firm policy that we borrow only to the extent that we can repay," he said. "We are paying back \$1 billion this year, and we are absolutely on schedule."

India was approved for three commercial loans last week totaling \$320 million dollars.

Mr. Jalan admitted that repayment terms were not as good as they once were.

## India Allowing the Rupee to Slide

Reuters

NEW DELHI — India is allowing the rupee to depreciate steadily because it needs a big increase in exports to relieve severe strains on its balance of payments, according to foreign-exchange dealers.

But Finance Minister Madhu Dandavate has ruled out floating the rupee, saying the central bank will continue to fix rupee rates against the currencies of India's major trading partners.

"The country has many fiscal imbalances, particularly high deficits and an adverse balance of trade," Mr. Dandavate said in Parliament on Friday. "Floating the rupee is totally disastrous."

Foreign-exchange dealers said the rupee is likely to fall to more than 18 rupees to the dollar by December from around 17.42 now.

"If India's exports are to be competitive, the rupee needs to be devalued further," said Vikram Singh, chairman of Forex Club (India).

"But then it will also inflate the import bill, especially on account of oil."

The crisis in the Gulf could add \$1.7 billion to India's oil bill in

fiscal 1990-91, which runs from April to March, the Press Trust of India news agency quoted Oil Minister Mangal Gurupadaswamy as saying on Sunday.

Mr. Singh said inflation is running at an annualized rate of 11 percent, against 5 percent to 6 per-

"The rupee needs to be depreciated further."

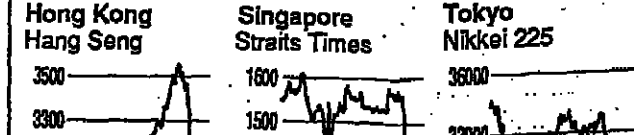
Vikram Singh, chairman, Forex Club.

cent in the industrialized countries that buy Indian exports.

"My feeling is the rupee will be devalued by 6 percent by the end of 1990 to help exports to these countries," he said.

The rupee is linked to a basket of currencies whose weighting is not specified. But foreign-exchange dealers say the U.S. currency is given more weight than others, as nearly 60 percent of India's foreign trade is invoiced in dollars.

## Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3040.28	3078.97	-1.26
Singapore	Straits Times	1288.89	1343.66	-4.08
Sydney	All Ordinaries	1555.20	1569.70	-0.89
Tokyo	Nikkei 225	2678.43	2739.55	-4.22
Kuala Lumpur	Composite	548.73	565.05	-2.89
Bangkok	Book Club	Closed	805.69	
Seoul	Composite Stock	645.86	658.94	-1.99
Taipei	Weighted Price	3884.89	4094.78	-5.13
Manila	Composite	824.78	856.71	-3.73
Jakarta	Barclays	590.01	591.97	-0.33
New Zealand	National Index	1651.92	1690.98	-2.31
Bombay	Stock Index	554.95	536.05	+3.53

Sources: Reuters, AFP International Herald Tribune

## AT&T Wins Deal For Japan-China Telephone Cable

Compiled by Our Staff From Dispatches

TOKYO — Kokusai Denzhin Denwa Co., and American Telephone & Telegraph Co. have won a 9.5 billion yen (\$63.4 million) contract from the Chinese government to lay an optical-fiber cable between Japan and China, a KDD spokeswoman said.

The two companies will start laying the 1,300 kilometer (806 mile) cable early in 1993 and it is expected to be operational by the end of 1993.

The cable will connect Miyazaki prefecture on Japan's southern island of Kyushu and Shanghai in China. It will also be linked to trans-Pacific optical cables. The cable will provide more than 7,500 phone circuits of 64 kilobits per second.

As part of the deal, AT&T has agreed to provide the hardware for a digital satellite communications facility to be established in China.

The facility will be completed next year and used for satellite communications between China, Japan and the United States.

(Reuters, UPI)

## Lepanto Net Income Falls

Agence France-Press

MANILA — Consolidated net income at Lepanto Consolidated Mining Corp., one of the biggest mining firms in the Philippines, dropped 14 percent in the first half of 1990, officials said Monday.

Lepanto's consolidated net income sank to 95.4 million pesos (\$4.0 million) from 111.4 million pesos a year earlier, the officials said.

The company's net profit also fell in the half, by 21 percent to \$1.8 million pesos.

The drops came despite an 18.7

percent increase in consolidated revenue, to 690.68 million pesos.

The fall in net profit was attributed mainly to higher smelting costs for copper exports, lower grades of ore and increases in production costs.

Lepanto, a diversified company whose main operations are at a copper mine in the north, had a consolidated net income of 223.68 million pesos for the whole of 1989, a 19 percent fall from the 276 million pesos posted in 1988.

## ADVERTISEMENT

### INTERNATIONAL FUNDS

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly

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## SPORTS

## Grady Profits From Couples's Singularly Bad Luck in PGA's Finale

By Sally Jenkins

Washington Post Service

BIRMINGHAM, Alabama — By the time the last ball had been struck around the last cup at Shoal Creek, no one could decide whether the PGA Championship was more a tournament or a mishap. Not even the victor, Wayne Grady of Australia.

Grady profited Sunday from a fortunate bounce off a tree and Fred Couples's inability to make three short putts to win his first major title on a stifling, controversial course.

Grady, a 33-year-old from Queensland who had finished second in 71 tournaments, shot a modest final round of 71 for a total of 6-under-par 282. But that was enough for a three-stroke victory over Couples on one of the most grueling and argued courses in the history of the game. The course designed by Jack Nicklaus was rendered almost unplayable in places by rough and hardened ground, conditions that called for a certain amount of fortune and luck.

While Grady had a little of each, both failed Couples, who surged to a one-stroke lead through 12 holes only to bogey the next four.

"It's sickening," he said. On three of the bogeys, Couples missed three-foot (91-centimeter) putts for par.

"Was it pressure?" he said. "Yes."

With Couples sentenced to a round of even-par for 285, Grady retook the lead and held fast, paring the last six holes.

"I'm just glad it's over," Grady said. "If I had to go any more holes I don't think I could have gotten around. Right now I'm a little numb. It was very, very hard, and I had a few more breaks than the other guys and that's why I'm here."

The choice of Shoal Creek as site of the PGA Championship will be debated for some time, because of the civil rights controversy that erupted in June when it was learned that the private club did not accept blacks as members. The controversy quieted when a local black businessman was admitted on an honorary basis.

But a lesser controversy sprang up when the players found PGA of America officials had converted a 7,145-yard (6,500-meter) course into a torture chamber in golf, including the Masters and British Open champion, Nick Faldo. He

could only partly remedy his 80 on Saturday with Sunday's 69, the low of the tournament.

Grady, with just four previous victories in his career, was almost invisible in the shadow of countryman Greg Norman, who called from his jet with a good luck message. But Grady was the only player among the original 152 who in four days never carded a round over par. Surely that was deserving of the \$225,000 first prize and silver cup.

"There are some great names on it," he said. "But it doesn't matter how hard you scratch that thing now, you aren't going to get my name off it."

It might be that Grady benefited from some great luck at the 15th hole, his wild shank off the tee hitting the trunk of a tree and rebounding onto the fairway instead of into double- or triple-bogey country, allowing him to save par. "It could have gone anywhere," he said.

But he had to be applauded for his play at the 17th, an arduous par-5 of 530 yards, where he salvaged par despite landing in the long rough.

Grady had contended in the final round of a major championship once before, losing a play-

off at the British Open last year to the rallying Mark Calcavecchia. His biggest fear Sunday was that someone in the PGA pack would overtake him, but Shoal Creek greeted the overly ambitious with disasters.

Gil Morgan pulled to within a stroke through 11 holes, but double-bogeyed the par-3 15th and finished with a 72 for 286 and third place. The defending champion, Payne Stewart, took a triple bogey at the par-5 11th for a 79 and total of 292, tying for eighth.

That left Couples, who had no sooner seized the lead than he collapsed. "I never wish another player harm, but he made some mistakes," Grady said.

At the 451-yard, par-4 12th, Couples made a second straight birdie to tie for the tournament lead for the first time. He hit a six-iron to 15 feet, and the putt dropped at the last second to bone-shaking roars that made Grady nervous.

"For the first 12 holes it didn't look like he made a mistake," Grady said. "Every time I heard a roar and looked up he was in the middle of the fairway or on the green. That was getting

worse trouble, digging out of the fairway rough, then the grassy edge of the green with a delicate chip to four feet. But he missed that chance for par, too, yanking the putt badly to the right.

At the 15th, a par-4 of 405 yards, he became a confirmed nerve case. His approach shot kicked right just off the green, setting in the short grass. His chip was too soft, leaving him with another four-footer that, by this time, looked almost unmakeable. He pulled it left, again never grazing the hole, to fall two strokes back with three to play.

The 16th, a par-3 of 215 yards, effectively gave the tournament to Grady. Couples's five-iron strayed into a greenside bunker with a tree in his line, leaving him no shot at the flag. His sand shot left him with a 15-footer for par that turned away. That gave Grady a three-stroke lead with three to play, and Couples never threatened again.

"The bogeys happened so fast," Couples said. "Looking back, that was the whole round. It was a day when I let myself down."

As Grady looked back, it was a day when he had held up. "It was the longest day of my life," he said.

"I stroked it good," he said. "Up until then I thought I was going to make every putt."

At the 379-yard, par-4 14th, he escaped

## The 72d PGA

Final scores and prize money from the PGA Championship played on the 7,145-yard, par-72 Shoal Creek course in Birmingham, Alabama:

Wayne Grady, 282	71-72-71-282
Fred Couples, 285	72-73-72-285
Bill Britton, 286	72-74-73-286
David Feherty, 286	72-74-73-286
Loren Roberts, 286	72-74-73-286
Chip Beck, 286	72-74-73-286
Don Proulx, 286	72-74-73-286
Tim Simons, 286	72-74-73-286
Mark McNulty, 286	72-74-73-286
Payne Stewart, 286	72-74-73-286
Hale Irwin, 286	72-74-73-286
Larry Mize, 286	72-74-73-286
Joel Quizon, 286	72-74-73-286
Mark Haskins, 286	72-74-73-286
Corey Pavin, 286	72-74-73-286
Slim Sorensen, 286	72-74-73-286
Patryk Zolnier, 286	72-74-73-286
Blaine McColister, 286	72-74-73-286
Nick Faldo, 286	72-74-73-286
Mark O'Meara, 286	72-74-73-286
Mark Welch, 286	72-74-73-286
Greg Norman, 286	72-74-73-286
Tam Watson, 286	72-74-73-286
Bob Boyd, 286	72-74-73-286
Brian Tansman, 286	72-74-73-286
Mark Brooks, 286	72-74-73-286
Ray Stewart, 286	72-74-73-286
Chris Perry, 286	72-74-73-286
Peter Jacobson, 286	72-74-73-286
Ian Woosnam, 286	72-74-73-286
David Frost, 286	72-74-73-286
Steve Pate, 286	72-74-73-286
Paul Adamec, 286	72-74-73-286
Scott Vermeire, 286	72-74-73-286
Jeff Shuman, 286	72-74-73-286
Tom Purtzer, 286	72-74-73-286
Dave Hammar, 286	72-74-73-286
Ben Crenshaw, 286	72-74-73-286
John Mahaffey, 286	72-74-73-286
Tom Anli, 286	72-74-73-286
Tom Kite, 286	72-74-73-286
Dave Love, 286	72-74-73-286
Chris Parry, 286	72-74-73-286
Andrew Magee, 286	72-74-73-286
Sammy Ratelle, 286	72-74-73-286
Mike Reid, 286	72-74-73-286
Bob Turvy, 286	72-74-73-286
Kenny Perry, 286	72-74-73-286
Mike Hulbert, 286	72-74-73-286
Hal Sutton, 286	72-74-73-286
Robert Garcia, 286	72-74-73-286
Ston Utley, 286	72-74-73-286
Mark McCumber, 286	72-74-73-286
Raymond Floyd, 286	72-74-73-286
Scott Hoch, 286	72-74-73-286
Jon Baker-Finch, 286	72-74-73-286
Bob Glider, 286	72-74-73-286
David Passler, 286	72-74-73-286
Chris Stadler, 286	72-74-73-286
John Huston, 286	72-74-73-286
Peter Senior, 286	72-74-73-286
Jon Dahlgren, 286	72-74-73-286
Dan Harmon, 286	72-74-73-286
Nick Price, 286	72-74-73-286
Dave Graham, 286	72-74-73-286
Robby Mackinn, 286	72-74-73-286
Scott Simpson, 286	72-74-73-286
J.C. Blair III, 286	72-74-73-286
Julius H. Blair, 286	72-74-73-286
Ed Fleri, 286	72-74-73-286
Orly Hanochi, 286	72-74-73-286
Julius H. Blair, 286	72-74-73-286
Bob Fero, 286	72-74-73-286

## PGA Championship Winners

1988—Wayne Grady, 1989—Payne Stewart
1987—Jeff Shuman, 1986—Larry Nelson
1985—Bob Tracy, 1984—Hubert Green, 1983—Lee Trevino, 1982—Hal Sutton, 1981—Tom Watson
1980—Jack Nicklaus, 1979—David Graham, 1978—John Mahaffey, 1977—Larry Mize, 1976—Jack Nicklaus, 1975—Jack Nicklaus, 1974—Jack Nicklaus, 1973—Jack Nicklaus, 1972—Jack Nicklaus, 1971—Jack Nicklaus, 1970—Jack Nicklaus, 1969—Jack Nicklaus, 1968—Jack Nicklaus, 1967—Jack Nicklaus, 1966—Jack Nicklaus, 1965—Jack Nicklaus, 1964—Jack Nicklaus, 1963—Jack Nicklaus, 1962—Jack Nicklaus, 1961—Jack Nicklaus, 1960—Jack Nicklaus, 1959—Jack Nicklaus, 1958—Jack Nicklaus, 1957—Jack Nicklaus, 1956—Jack Nicklaus, 1955—Jack Nicklaus, 1954—Jack Nicklaus, 1953—Jack Nicklaus, 1952—Jack Nicklaus, 1951—Jack Nicklaus, 1950—Jack Nicklaus, 1949—Jack Nicklaus, 1948—Jack Nicklaus, 1947—Jack Nicklaus, 1946—Jack Nicklaus, 1945—Jack Nicklaus, 1944—Jack Nicklaus, 1943—Jack Nicklaus, 1942—Jack Nicklaus, 1941—Jack Nicklaus, 1940—Jack Nicklaus, 1939—Jack Nicklaus, 1938—Jack Nicklaus, 1937—Jack Nicklaus, 1936—Jack Nicklaus, 1935—Jack Nicklaus, 1934—Jack Nicklaus, 1933—Jack Nicklaus, 1932—Jack Nicklaus, 1931—Jack Nicklaus, 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